

**REPUBLIC OF RWANDA**



**MINISTRY OF LOCAL GOVERNMENT, INFORMATION AND SOCIAL  
AFFAIRS**

**APPRAISAL OF THE DECENTRALISATION PROCESS IN RWANDA**

**FIELD CONSULTATIONS: DRAFT FINAL REPORT**

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## ACCRONYMS AND ABBREVIATIONS

ARD	Associates for Rural Development Inc.
ATEDEC	Associations des Techniciens Pour le Développement Economique et Communautaire
CDC	Community Development Committee
CDF	Common Development Fund
CODAF	Coopérative de Développement Agricole, Elevage et Foresterie
CPA	Comite Politique et Administratif
CPLS	Commission Provinciale De Lutte Contre Le SIDA
CRDP	Community Rehabilitation and Development Project
CSC	Centre des Services aux Coopératives
DC	District Council
DDP	District Development Plan
DEC	District Executive Committee
DIP	Decentralisation Implementation Programme
DTB	District Tender Board
ES	Executive Secretary
FOR	Forum des Organisations Rurales
GoR	Government of Rwanda
IRC	International Rescue Committee
IS	Projet Infrastructures Sociales
KIDF	Kibungo Development Forum
KIPATA	Kibungo Parents and Teachers' Association
LWF	Lutheran World Federation
M&E	Monitoring and Evaluation
MIFOTRA	Ministry of Public Service and Labour
MINALOC	Ministry of Local Government, Information & Social Affairs
MINECOFIN	Ministry of Finance and Economic Planning
MONAGRI	Moniteurs Agricoles
MTEF	Medium Term Expenditure framework
NTB	National Tender Board
NURC	National Unity and Reconciliation Commission
PA	Provincial Administration
PADEC	Programme d'Appui au Développement Economique et Communautaire
PADDEP	Programme d'Appui à la Décentralisation et Développement Economique Participatif
PEAMER	Projet Eau et Assainissement en Milieu Rural
PCC	Provincial Coordination Committee
PDRCIU	Projet de Développement des Ressources Communautaires et Infrastructures d'Umutara
RALGA	Rwandese Association of Local Government Authorities
RRA	Rwanda Revenue Authority
SALA IDA	Swedish Association of Local Authorities International Development Agency
SNC	Strengthening New Communities

## **FOREWORD**

This report is a result of consultations of stakeholders at various levels, undertaken by the National Consultants in 7 out of 12 provinces of Rwanda during the period July – August 2003. The provinces visited were: Kibungo, Ruhengeri, Butare, Umutara, Kibuye, Byumba and Gitarama.

The Consultants wish to particularly thank the local administration leaders and technical staff in the provinces, districts, sectors and cells visited; the managers and staff of the various CSOs and other institutions met; and more invaluable to the population who committed their time and efforts to provide useful information, on which this report is based. The team members are greatly indebted to the Ministry of Local Government, Information and Social Affairs (MINALOC), and more particularly the National Coordinator and staff of Decentralisation Management Unit (DMU), and the MINALOC Director of Planning and Community Development, without whose timely support and encouragement, it would have been difficult to accomplish this work. The input of the International Consultants, Stan Bartholomeeussen and David Twahirwa, has greatly improved the quality of the report.

This report synthesizes the working draft reports and the issues documented from restitution meetings in various provinces. It is therefore a summary of important findings. Detailed facts are in the working provincial reports which, however, are only working documents.

The findings of this study subscribe to the idea that a lot of progress has been made in decentralisation, mainly: in putting in place the necessary legal, policy and institutional frameworks for democratic decentralisation; community development activities; in fiscal and financial decentralisation; building social and economic infrastructures; and tenets for capacity building, among others. The general appreciation of stakeholders consulted is that the decentralisation policy is an excellent strategy for promoting good governance and poverty reduction.

A number of weaknesses, concerns and constraints, continue to affect the decentralisation process, and need to be addressed in the next phase. These relate to: coordination of interventions; human resources development and management; funding and financial management; and institutional linkages, among others.

## **1.0 BACKGROUND**

### **1.1. Overview and Rationale**

The Government of Rwanda (GoR) adopted, in May 2000, a policy and strategy for democratic Decentralisation, with the overall aim of empowering the Rwandan population politically, economically, socially and culturally, and to fight poverty more effectively and efficiently.

As part of this strategy, a three –year Decentralisation Implementation Programme (DIP) was launched, with the following objectives: establishing institutional structures for coordination; reviewing the legal framework to operationalise decentralisation; reforming the administrative structures; democratization through local elections; building the human and institutional capacities; enhancing different actors through continuous training, provision of logistical facilities, and empowerment of the population through civic education, and, ensuring the transfer of fiscal and financial resources and responsibilities to decentralized units to enable them effectively implement various service delivery programmes.

According to the Decentralisation implementation strategy, the programme was to be rolled out in three phases. The first phase of three years is ending this year (2003), and a five-year DIP for the second phase is being prepared to consolidate and deepen the decentralisation process through building on achievements and lessons learnt from the first phase. The third phase will address continuous monitoring and capacity building support to ensure sustainability of the decentralised units.

### **1.2 Context of the Consultations in provinces**

During the last 3 years of DIP, a number of activities have been undertaken, with significant achievements made in the legal, policy and institutional framework relating to local administration, community development, infrastructure development and financial management, among others.

In this respect, VNG International was commissioned by the GoR (represented by MINALOC) to undertake the Decentralisation Appraisal mission, to assess the activities undertaken during the first phase of DIP; perceptions of stakeholders on the policy and implementation process; achievements and the impact to date; as well as appreciate the constraints and challenges in the process; and suggest recommended actions for the next phase.

Based on detailed consultations undertaken in 7 provinces during July/ August 2003, and light consultations in Kigali City in September 2003, this report presents the findings of the stakeholder perceptions and appreciation of achievements and concerns on the decentralisation policy and its implementation process, as well as recommendations for the next phase.

### 1.3 Study areas and Provinces Covered

A total of fourteen (14) districts in seven provinces have been covered. These are: Kibungo (Rusumo and Cyarubare districts); Ruhengeri (Bugarura and Bukonya districts); Butare (Save and Nyakizu districts); Umutara (Nyagatare Town and Kahi.); Byumba (Bungwe and Rwamiko); Kibuye (Rusenyezi and Kibuye Town) and Gitarama (Ndiza and Ruhango Urban). In each province, 4 sectors and 4 cells have been covered, except Kigali City where only 2 sectors and 2 cells have been covered.

### 1.4 Selection of Study areas

The provinces visited were pre-selected by the International Consultants based on a set of criteria discussed with MINALOC. The same criteria were modified to select districts, sectors and cells.

The team used Population, number of administrative units, geographical location, socio-economic and physical infrastructures, as the main criteria for selecting the districts. Three of the 14 districts selected are urban (i.e. Kibuye, Ruhango and Nyagatare).

Within each district, the above criteria were modified to select sectors and cells.

### 1.5 Methodology

The methodology employed in data collection and analysis embraced the following techniques:

- *Interviews* using a checklist of questions;
- *Focused group discussions*, especially with Council members and communities
- *Extensive review of documents* (financial reports, project reports, laws and policies, activity reports, etc). Selected list of important documents reviewed is at the end of the report (page 61).
- *Direct observations* in the field and operations in offices as well as expressions and emotions of respondents;
- *Triangulation* was used to verify information obtained from the field with different stakeholders;
- *Restitution meetings* assisted to clarify, correct and improve on the data and information obtained from the field.

In general, the appraisal was undertaken in the context of the preparation for the next phase of DIP. This required a review of what progress has been made and also to document the lessons learnt from the process, as well the perceptions and concerns of key stakeholders.

The key issues discussed with the stakeholders were inspired by the preliminary observations at inception phase which were also discussed with the stakeholders prior to field investigation. And, the methodology adopted took into consideration the range of stakeholders and issues.

## **2.0 PROFILES OF THE STUDY AREAS**

### **2.1 Provinces and Districts visited**

The provinces reflect diversity in geographical location, socio-economic activities; physical infrastructures and administrative issues, among others.

#### ***Kibungo province***

Kibungo province is located in the South West of the Country bordering with the United Republic of Tanzania. According to the Population and Housing Census of 2002, the province has a population of 707,548 people, of which 384,136 (54.3%) are female and 323,412 (45.7 %) are male.

Administratively, the Province has 8 districts including 6 rural districts and 2 urban districts. These are further divided into 115 sectors and 732 cells.

#### ***Ruhengeri province***

Ruhengeri province is located in the North of the Country bordering with the Democratic Republic of Congo (DRC) and Uganda. The province has a population of 894,179 people, of whom 476,402 (53.3%) are female and 417,777 (46.7%) are male.

The province is administratively divided into 11 districts, of which 1(Ruhengeri Municipality) is urban and the rest are rural. These districts are further divided into 177 sectors and 943 cells.

#### ***Butare Province***

Butare province is situated in the southern part of the Country, and borders with the Republic of Burundi. It has a population of 722616 people, of whom 338439 (46.8%) are male and 384177 (53.2%) are female.

Administratively, the province is divided into 10 districts of which 2 are urban (Butare and Nyanza) and 8 are rural. These districts are further divided into 211 sectors and 582 cells.

#### ***Byumba province***

Byumba province is located in the North East of the Country, bordering with the Republic of Uganda. The province has a total population of 712372 people, of whom 338047 (47.5%) are male and 374325 (52.5%) are female.

Administratively, the province of Byumba is divided into 9 districts, of which one is an urban and 8 rural are districts. These districts are further divided into 137 sectors and 782 cells.

***Kibuye Province***

Kibuye province is located in the West of the Country and borders with the DRC along Lake Kivu. According to the August 2002 Population Census, the province has a population of 467,745 people, of whom 217,514 (46.5%) are male and 250,231 (53.5%) are women. Kibuye province has most suffered due to the 1994 genocide, as 40% of the population was reportedly killed during the genocide. In terms of development, the province had for long been isolated because until 2000, it was the only province not linked to the capital Kigali by a highway.

Administratively, the province is divided into six districts of which one is urban and 5 are rural districts. These districts are further divided into 102 sectors and 639 cells.

***Gitarama Province***

Gitarama province is situated in Central Rwanda, neighbouring the provinces of Kigali Ngali to the East, Butare to the South, Gikongoro and Kibuye to the West, and Ruhengeri to the North.

It has a population of 864,594 people of whom 407,955 (47.1%) are men and 456,639 (52.2%) are women.

The province is divided into 10 districts, 2 of which are urban (Ruhango and Gitarama Urban) and 8 are rural districts. These districts are further divided into 166 Sectors and 1072 Cells.

***Umutara Province***

Umutara province is a relatively new province created in 1996, largely to resettle refugee returnees. A large part of the Province was a protected area. It is characterised by sparsely distributed population and inadequate infrastructures (roads, water points, health facilities) and *imidugudu* settlements. The Provincial administration has no office block, and some of the departments are housed in small containers scattered in different places.

The province is divided into 9 districts, 79 sectors and 1445 cells.

As per the August 2002 Population and Housing Census, the population by provinces and districts visited, is presented in table 1 below:

**Table 1: Population distribution by province and districts**

Province	District	Total Population			Adult % of the population (i.e. aged 17 yrs & above)		
		Male	Female	Total	Male	Female	Total
Kibungo	Province	336090	371458	707548	47.4	50.7	42.2
	Rusumo	70403	79240	149643	50.1	52.9	51.6
	Cyarubare	32036	35148	67184	46.3	49.9	48.2
Butare	Province	338439	384177	722616	51.9	56.2	54.2
	Save	27431	34533	61964	48.9	56.3	53.0
	Nyakizu	39566	46021	85587	47.7	53.8	51.0
Ruhengeri	Province	417777	476402	894179	44.7	49.1	47.0
	Bugarura	47414	52106	99520	48.2	52.2	50.2
	Bukonya	39360	44998	84358	47.2	51.2	49.4
Umutara	Province	203671	219971	423642	48	51	49.6
	Kahi	31760	33990	65750	47.5	50	48.8
	Nyagatare	4149	3854	8003	59.9	51.8	56
Kibuye	Province	217514	250231	467745	46	52	49
	Rusenyi	48882	56944	105826	43	50	47
	Kibuye Urban	23319	23181	46500	56	54	55
Byumba	Province	338047	374325	712372	48	50.2	49.1
	Bungwe	37577	42491	80068	45.8	49.1	47.6
	Rwamiko	42310	49646	91956	48.1	49.7	48.9
Gitarama	Province	407955	456639	864594	52	56	54
	Ndiza	46068	53422	99490	49	55	53
	Ruhango Urban	21390	22390	43780	56	53	51

Source: *Service National De Recensement*. February 2003.

As table 1 shows, more than half of the population is below 17 years i.e. categorised young and dependant<sup>2</sup>. This implies that the majority of the population are consumers and not producers.

## 2.2 Districts visited

In Kibungo province, the 2 districts visited were Rusumo and Cyarubare.

Rusumo district was created by merging the former commune of Rusumo with some sectors of former Birenga Commune. The district headquarters are located on the main highway to Tanzania. The district is under the administration of a new Mayor after the former elected Mayor was voted out of office.

<sup>2</sup> Notice that age here is used to indicate dependency as a demographic factor. Only those above 17 years (i.e.  $\geq 18$ ) are members of cell council and are eligible to vote.

Cyarubare is a newly created district and one of the most remote districts in the province, with poor economic and social infrastructure. It was created by merging parts of the former Communes of Kayanza, Kabarondo, Kigarama, Rukira and Birenga.

In Ruhengeri province, the appraisal has covered the districts of Bugarura and Bukonya, both of which are rural districts.

Bugarura district was created by merging the former communes of Cyabingo and Ruhondo. The district headquarters are presently situated in the premises of the former Cyabingo Commune.

Bukonya district was created by merging the 2 former communes of Ndusu and Gatonde. The district headquarters are located in former Ndusu Commune.

The mayors of both Bugarura and Bukonya are former Bougmastres in former communes of Ruhondo and Gatonde.

In Butare, the team has visited the districts of Save and Nyakizu.

Save was created by merging the former communes of Ndora and Shyanda. Save is particularly known because it is where the first catholic mission was established in Rwanda in 1900. Save district has 20 sectors and 54 cells.

Nyakizu district has been created by merging the former Communes of Nyakizu (14 sectors), (Runyinya (10 sectors) and Gishamvu (4 sectors). Nyakizu district has 28 sectors and 100 cells.

In both Save and Nyakizu districts, the present mayors were former Bourgmestres in Shyanda and Nyakizu respectively.

In Byumba province, the districts visited were Bungwe in the northern border with Uganda and Rwamiko in the south bordering Kigali Ngali Province. Bungwe district is comprised of the former Communes of Cyumba and Kivuye, while Rwamiko district is a result of merging the two former Communes of Giti and Rutare.

In Umutara province, Nyagatare (Umutara Urban) is constituted by only one sector of Nyagatare in the former Nyagatare Commune. This was then divided into 4 sectors. Kahi district, on the other hand, is comprised of the former Communes of Kahi and part of Gituza.

### **2.3 Sectors and Cells Visited**

A total of 4 sectors and 4 cells were sampled in each of the 7 provinces visited. The names of the sectors and cells visited are presented in Annex 1.

### 3.0 STATE OF AFFAIRS: RESULTS OF THE DECENTRALIZATION IMPLEMENTATION PROGRAMME

#### 3.1 Organisation and Functioning of Civil Administrative structures

##### 3.1.1 Provincial Level

The decentralisation process started with the deconcentration of local administrative and service delivery responsibilities from the centre to provinces, after the policy was officially launched in May 2000. First, Departments were created along the line ministries and in 2001, the *Cadre Organique* of the Province was elaborated with 6 directorates and the Cabinet (Office of the Prefect and Executive Secretary).

At the provincial level, the local administration is organised as follows:

- the *Prefect is the overall head of the province*, responsible for overseeing the administrative and service delivery activities.
- *The Executive Secretary* is the Chief Technical Officer responsible for co-ordination and supervision of technical services as well as administrative functions.
- *Service Delivery units organised in 6 Directorates headed by directors*. The departments are: Health, Gender and Social Affairs; Agriculture, Livestock and Forestry; Finance and Planning; Economic Infrastructure; Education, Youth and Culture; Political Affairs and Territorial Administration (Good governance). Under each Director, there are Division Chiefs, and below them, Officers in charge of specific services.

Apart from the Prefect who is politically appointed, other categories (Executive Secretary and technical officials) are recruited through civil service procedures (i.e. competitive interviews).

Limited personnel recruitment functions have been decentralised to the province. At the present, the provincial administration handles recruitment/ replacement of personnel in the cadre of primary school teachers.

##### *Personnel and Qualifications:*

The *Cadre Organique* of the province stipulates the number and qualifications of personnel for each Directorate. However, as table 2 below shows, there is a serious constraint of inadequate qualified personnel. It is observed, however, that some provinces are more affected than others.

**Table 2: Number of Personnel by Qualification in Provinces**

Province	Established Personnel	Existing Personnel	% of Staff in place	No. of Staff by Qualification level <sup>3</sup>				
				A0	A1	A2	A3	Non categorised
Kibungo	105	44	42%	5	12	15	-	12
Ruhengeri	105	75	71%	19	13	26	6	11
Butare	105	58	55%	23	5	15	4	11
Gitarama	105	85	81%	23	6	42	2	12
Kibuye	105	56	53%	14	12	19	3	8
Byumba	105	74	70%	13	11	37	4	9
Umutara	105	59	56%	14	8	24	6	7
Average		64	61%	16	10	25	4	10

Source: Field data collection from Provinces, July/ August 2003.

### Functioning

(i) *Coordination and Supervision*: the Executive Secretary is designed to coordinate and supervise technical departments as well as control resources of the Provincial Administration (PA). At sectoral level, the different departments work independently, but the Prefect has to approve or endorse all correspondences in and out of the Provincial Administration (PA). Compliance with this guidelines, is, however, still low. In 72% of the provinces visited, sectoral departments of health, agriculture and education were reported to still deal directly with their line ministries.

The highest decision making body in the province is the Provincial Coordination Committee (PCC), constituted of:

- the Prefect;
- Mayors of Districts and Towns
- Executive Secretary
- All the 6 Directors
- National Security agencies – the National Police and the Army

The PCC is required to meet atleast once in 3 months and make decisions by consensus. From discussions with provincial officials, however, about 80% reported that this committee is non-functional. Where the PCC is reported to be active (such as Kibuye and Gitarama), its often concerned with political issues which are of limited interest to other stakeholders, hence many do not attend.

In all the provinces, however, it appears that the PCC does not provide appropriate environment for heads of departments (Directors) to raise their concerns. Madsen (2003)<sup>4</sup> has also observed inadequate working procedures, among others, as a major limitation to

<sup>3</sup> A0= Bachelor's degree – Licence; A1= Associate degree – Bachelier ou gradué; A2 = Certificate – Diplôme des Humanités Secondaires; A3 = Ordinary Level – Diplômé D4.

<sup>4</sup> Report on Human Rights & Governance in PADDEP Rwanda, by Hanne Lund Madsen, June 2003. The study was undertaken for CARE Rwanda.

the PCC, and voiced the risk of too much decision power and independence enjoyed by the Prefect.

(ii) *Capacity building support* to districts: the Province's main role is to provide technical guidance, capacity building support and facilitation to districts, as well as to monitor and manage the process of decentralisation, linking the local levels with the centre.

The Office of the Prefect and the Directorate of Territorial Administration organise meetings and training activities for elected leaders. However, there were noticeable cases where follow-up and monitoring of the implementation process is not done.

### 3.1.2 District level

Local administration in the districts is organised into:

- (i) *Administrative functions*: this includes the office of the Administration (Executive Secretary), Finance and Accounts; and Internal Audit.
- (ii) *Technical services*: that covers sectoral departments/ services i.e. agriculture, forestry and livestock; education and social affairs; health; water and infrastructure.

These structures are in place in all the districts visited. Like the province level, the Executive Secretary is head of the technical staff, responsible for supervising and coordinating activities of technical officers, and overall administrative and accounting responsibility.

It is, however, observed that the established positions, personnel and qualifications very much vary from district to district. The main reasons given for this situation in all the districts visited are:

- ❑ absence of a *Cadre organique* stipulating the number and qualifications of staff in the different departments;
- ❑ weak financial positions of districts make it difficult for them to recruit qualified people and fill all essential positions. They argue that the district resources cannot meet the wage bill if all the required staff are put in place. None of the districts visited has a Planning Officer. In 60% of the districts visited, some aspects of planning are handled by Internal Auditors.
- ❑ the District Commission responsible for recruitment of staff, in all the districts visited, are not appropriately qualified, neither have laid down procedures on the qualifications, experience character of the technical staff to be recruited.

Table 3 below shows the personnel numbers by qualification in the districts visited. It can be observed from the table that personnel in different local government positions generally have low qualifications (i.e. only 3.1% with A0 and 4.2% with A1).

**Table 3: Number of Personnel by Qualification in the Districts**

Province	District	No. of staff per Qualification level					
		Total personnel	A0	A1	A2	A3	Non categorised
Kibungo	Rusumo	14	-	1	11	2	
	Cyarubare	18	1	-	14	1	2
Ruhengeri	Bugarura	27	1	-	23	1	2
	Bukonya	18	-	-	12	5	1
Butare	Save	29	1	3	12	13	-
	Nyakizu	21	-	2	9	10	-
Gitarama	Ndiza	45	0	2	11	6	26
	Ruhango Urban	29	2	1	14	3	9
Kibuye	Rusenya	52	1	1	9	0	41
	Kibuye Urban	35	1	0	15	0	19
Byumba	Bungwe	25	2	2	13	1	7
	Rwamiko	34	1	1	19	-	13
Umutara	Nyagatare Urban	21	1	3	12	1	4
	Kahi	16	1	-	11	-	4
<b>Average</b>	<b>Per district</b>	<b>27</b>	<b>3.1%</b>	<b>4.1%</b>	<b>48.2%</b>	<b>11.2%</b>	<b>33.4%</b>

Source: Field data from Districts, July/August 2003.

### *Functioning*

The functioning of the district administrative and technical staff can be summarized in the following observations:

- (i) *Relationship between ES and Technical Staff:* In more than 60% of the districts, ES do not supervise the technical staff. In 60% of the districts, ES do not receive and follow up Activity plans and reports of technical staff;
- (ii) *District support to technical staff:* It was generally observed that there is very limited logistical and material support given to technical staff by district authorities. This often affects their relationships.

### Main Concerns for local administration

The main concerns raised in local administration are:

- there is limited technical guidance and support from provinces to districts;
- Most technical staff in districts are still largely answerable to their line Heads of Departments at the provincial level.
- The functional linkage between Ministries and provinces and with districts is not clear. Some technical departments (especially health, Agriculture, and Education) “feel” they have been “abandoned” by their line Ministries, and the same concern is raised by district technical staff about provincial level.

- In almost all districts (80%), there is evidently clear lines between personnel paid by the central Government (mostly those formerly under line ministries) and those appointed and paid by the districts. This was observed to have implications for supervision and support. There is a general tendency for the district authorities to favour staff under district service at the expense of those whose appointment and salaries are under the central Government.

***The general observation in most districts is that the staffing and personnel management tends to be ad hoc. In many districts, there are no established positions; most staff are not well qualified, with no clear terms of reference, hence, it is difficult to monitor or evaluate their performance.*** The Local authorities determine who they need in view of their capacities and priorities, with apparently no involvement or regulations from the central government.

There is insufficient facilitation and motivation of technical and administrative staff (few office equipment, no vehicles or motorcycles, fuel,) which make the already weak manpower even less efficient.

### 3.1.3 Sector and Cell levels

There are no permanent administrative or service delivery staff at levels below the districts. Concerns have been raised that the sector offices have no permanent staff, yet it is expected that more administrative and technical services will be devolved to these levels.

The main concern for local administration at sector and cell levels include:

- *absence of permanent staff* to handle day to day office work and local people's problems. Local people complain that it is difficult to get any assistance at the Sector office when the Sector Coordinator and Secretary are not around, yet these are not paid staff.
- *lack of support from district authorities*: In 100% of the districts visited, Sector Cell Coordinators have raised complaints that they are always asked to give reports to district authorities yet they are not facilitated.
- *inadequate office facilities*: - this is, however, being addressed, as many sector offices are presently under construction.

### **3.2. Organization and functioning of Political/ Local Government bodies**

#### **3.2.1. Provincial level**

At the provincial level, there is no elected leadership, but the provincial Administration (PA), mainly, the office of the Prefect; Directorate of Good Governance and Territorial Administration; and Executive Secretary, are expected to provide co-ordination and capacity building support to elected leadership in districts.

Elected leaders within the province have no co-ordination forum, except through the PCC in which District Mayors are members, there is no specific institutional framework for co-ordination of local Governments.

In the areas of capacity building, the provincial administration has organised training seminars and meetings with elected leaders at different levels.

#### **3.2.2. District Level**

##### **(a) District Council and Executive Committees**

###### *Organisation*

At the level of political leadership, the local government at the district level is constituted of mainly two organs:

1. District Council (*Njyanama*), constituted of representatives from sectors (including 1/3 of Women and Youth Councils), is the supreme decision making organ.
2. The District Executive Committee (DEC), constituted by 5 members i.e.: Mayor and 4 Vice Mayors responsible for Community Development (also CDC President); Women; Youth; and Finance.

The DEC members are elected by the District Council, which also determines their emoluments within the national guidelines. The Mayor is head of the Executive Committee and Chairperson of the District Council (DC).

###### *Gender Composition of District Councils*

The GoR policy in mainstreaming gender in governance and development actions is evident in affirmative action that guarantees 1/3 of the elective positions for women.

The main indicator for participation of women in local government decision making is the proportion of women in the DC, which is the highest decision making body in the district. As the figures in table 4 below, however, show, its only in one district (7% of sample) where women membership in DC is 30% and above.

**Table 4: Gender Composition of District Councils**

Province	District	No. of Sectors	Total No. of DC members	No. of Women	% Women in DC
Kibungo	Cyarubare	8	14	3	21%
	Rusumo	9	15	4	27%
Ruhengeri	Bugarura	25	43	9	21%
	Bukonya	20	34	7	21%
Butare	Save	20	34	9	26%
	Nyakizu	28	46	11	24%
Kibuye	Rusenyi	25	41	8	20%
	Kibuye Urban	25	41	8	20%
Gitarama	Ndiza	21	35	8	23%
	Ruhango Ville	7	24	8	33%
Byumba	Bungwe	18	30	7	23%
	Rwamiko	22	37	8	22%
Umutara	Kahi	10	18	4	22%
	Nyagatare Urban	4	14*	3	21%

\* Two of the Councillors resigned and have not been replaced.

Source: Field data from the Districts. VNG Consultants, July/ August 2003.

Women participation in decision making in other areas indicated in table 5 also shows dominance of men. This suggests that the national target of 30% is yet to be realised.

**Table 5: Gender Composition of Selected Local Administration Positions**

SNo.	Position	Sample size	% Men	% Women
1	Prefects	7	100%	0%
2	Provincial Executive Secretaries	7	100%	0%
3	Provincial Directors	42	93%	7%
4	Mayors	14	93%	7%
5	Sector Co-ordinators	28	96.5%	3.5%
6	Cell Co-ordinators	28	100%	0%

Source: Field data – VNG International, July/ August, 2003

### *Functioning*

The DC makes resolutions and the DEC implements them. Within the Council, there are 3 commissions (finance, social Affairs and political affairs), that are charged with discussing policies and plans for each sector before the DC considers them.

(ii) *Linkage between the DEC, DC and Council Commissions:* The Council Commissions are expected to study the proposals of DEC and report them to the DC.

The situation in the districts visited, however seems to be different. Most often the Commissions do not receive the documents in time (if at all) to enable them study them, and tend to approve the proposals of DEC as provided. Council members in most

districts do not even have access to the documents, which are just read to them during the Council sessions.

(ii) *Conduct of Council sessions*: Councillors are expected to organise meetings in their sectors and get their views prior to council sessions. They are also expected to attend cell and sector council meetings and take information on their sector resolutions to DC.

(iii) *Relationship/ linkage between district and lower level structures*: Administratively, district administrations are expected to provide technical guidance and logistical facilitation to lower levels to undertake their activities. The district is also expected to supervise service delivery in sectors and cells and solve administrative problems beyond the mandate of Sector administrators. Besides the DC, these levels are presently related through the following ways:

- ❑ Sector Co-ordinators have regular meeting with DEC (on average once a month) to discuss administrative issues, but mainly revolve around security and political concerns.
- ❑ Sector leaders submit reports of their Council meetings and other activities (e.g. women' activities) to districts on regular basis, as well as monthly (in some districts weekly) reports on security situations.
- ❑ District leaders have started undertaking some decentralised functions in sectors. The districts that have made progress in this direction include Rwamiko (Byumba Province) where the DEC has zoned the district into 5 (each with atleast 4 sectors), and each of the DEC members is responsible for a particular zone.

*Major Concerns raised:*

- ◆ Political leaders (Mayors) tend to be more concerned with political issues than development activities. There is a perception among some leaders that this is the responsibility of CDCs;
- ◆ It was noted in many districts, that Councillors (*Abajyanama*) often do not understand or appreciate their responsibilities. Findings indicate that where the majority of Councillors are literate, the DCs are fairly active. For instance, in Ruhengeri and Kibungo where the majority of Councillors are teachers (about 75% for Ruhengeri), the DCs have comparably been active in overseeing the operations of the DEC and supervision of technical officials.
- ◆ In most districts, communication is difficult such that information on Council meetings, etc, often does not reach the Councillors on time. As a result, many are often not prepared and some do not attend meetings. This problem affects nearly all districts, and is worsened by the high mobility of Council members, many of whom do not live/ work in their districts.

- ◆ Dominance of the DEC over the Council has been observed in many districts. It was noted during the study that the leadership of both organs by the Mayor has contributed significantly to the weaknesses of DCs. The same observation was made in a recent study by CARE Rwanda (Madsen, June 2003). In general, the findings of this study from different districts reveal that a lot of transactions of DEC do not get to the DC, as the Mayors often block information flow where they are implicated<sup>5</sup>.

### **(b) Community Development Committees (CDC)**

CDC is an integral part of the local government structure, with responsibility for planning and community development activities. The structure and functioning is discussed under section 3.6.

### **3.2.3. Sector level**

The sector administration is composed of the following:

1. *Sector Council*, comprised of cell coordinators, 1/3 of the Youth and Women Councils at cell level and special councillors (*Inyangamugayo*) elected from each cell.
2. *Sector Executive Committee*, which includes 4 administrative members i.e. Sector Coordinator, Secretary, member incharge of Information; and one incharge of Security); and 6 Community Development Committee (CDC) members with different responsibilities i.e. Community Development (President); Health; Education; Finance; Youth Affairs; and Women Affairs

#### *Role and Functioning of sectors*

The Sector is an important level of administration under decentralisation, as it serves as a coordinating centre for cells; is a more convenient and accessible level of providing local services such as registration of births; issuing of identify cards; weddings; etc; and centre for cultural and other community development activities.

The Sector Council is required by law to meet atleast once in 2 months. More than 70% of the sectors reported that the meetings are held regularly. Despite this, however, more than 80% of the Councillors could not remember how often they are expected to meet or how many meetings they have held in the previous 2 months to 1 year. Only the Sector Coordinator (who organises the meetings) and in 2 areas, the Secretary, provided

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<sup>5</sup> In one of the districts visited, the Internal Auditor's report revealing the embezzlement of millions of funds has never been passed on to Council. Efforts by the Auditor to present other information to DC have been frustrated by the DEC. Internal Auditors in many districts visited have also questioned the rationale of reporting to Mayors (in their capacity as President of DC) when they are part of the DEC which are often subject of audit reports.

correct information. This could suggest that the meetings are irregular or that attendance of the councillors interviewed is generally low.

*The procedures followed:* Sector Coordinator prepares the agenda and circulates it to the council members. The sector council resolutions are passed on to the DEC, which considers them with other sectors' resolutions.

*Main Concerns include:*

- Inadequate feed back from district authorities on the information provided;
- Lack of facilitation from higher levels. Only 7% of the districts visited provide limited financial support to the sectors, through retention of some taxes collected.
- Many sectors have no offices, where to work from and keep records. This problem is, however, being addressed through construction of sector offices. CDF has provided funding for the construction of 172 sectors throughout the country.

### 3.2.4. Cell level

*Organisational structure*

At cell level, the governing bodies are:

- (i) *The Cell Council*, composed of all residents aged 18 years and above, is the supreme organ responsible for decision making.
- (ii) *Executive Committee* is composed of 4 –member CPA for political and administrative functions, and a 6– member Community Development Committee (CDC), responsible for development activities.

*Functioning*

The cell council (constituted by all residents aged 18 years and above) is required by law to sit atleast once every month. The Cell Executive meets atleast twice a month, to develop programmes and to report to council on the implementation of council resolutions. The agenda is prepared by the Cell Coordinator in consultation with other members of the Executive Committee but most often the Cell Coordinator does everything alone.

In all the cells visited except in Nyakizu and Bungwe districts (in Butare and Byumba provinces respectively), there are records (minutes) of meetings, recorded and kept by the Secretary, as required by the law. The local people, however, reported that these meetings are sometimes not regularly held, and depend on how busy the Cell Co-ordinator may be.

### 3.3. Linkages and Collaboration with National Commissions/ Authorities

#### *Collaboration with National Commissions*

The Government commissions, bodies and Agencies that work along the structure of local Government include: National Electoral Commission; National Unity and Reconciliation Commission (NURC); Demobilisation and Re-integration Commission; Human Rights Commission; Gacaca; and the Commission for HIV/AIDS Control (CNLS).

**(i) Electoral Commission:** The National Electoral Commission was established in 2001 and is responsible for civic education, organising and managing local and national elections.

At the province level, the Electoral Commission has 5 commissioners with the Executive secretary, while at the district level, there is only one staff to coordinate and manage electoral activities in the district. During peak periods such as election season, the Commission hires temporary staff to assist the skeleton staff.

The main areas of collaboration with local administrations include:

- ❑ Logistical facilitation for civic education, mass mobilisation;
- ❑ Personnel especially during peak periods (i.e. election season);
- ❑ Use of administration and communication machinery /structures (district, sector and cell leadership, youth and women councils), to mobilise and communicate with the population.

**(ii) National Unity & Reconciliation Commission (NURC):** NURC has a representative at provincial level but at district and lower levels, there is no representation. Although NURC is autonomous in budgets and activities, the Provincial Coordination office reports to Provincial Administration (Prefect) for all activities. The Prefect also takes part in approving the expenditures.

Below the province, NURC collaborates with administrative structures up to sector and cell level. Activities undertaken so far include: sensitisation seminars and campaigns at lower level.

**(iii) Gacaca:** Gacaca Courts are organised along the administrative structures, and have established structures up to cell level. At Province and District level, there is only one official who co-ordinates the activities. The cell committee is the most active that holds court and witness sessions.

The implementation of Gacaca courts is still being piloted. The team was not able to meet any of Gacaca officials, partly because they have no office in the district and the personnel are not full time staff.

**(iv) Demobilisation and Re-integration Commission**

This Commission is responsible for supporting demobilised members of the armed forces, to integrate into civilian life. At the provincial level, the Commission has only 2 staff.

One of the main tasks of the Demobilisation and Re-integration Commission is to ensure that the demobilised soldiers use their packages for sustainable income generating activities.

The Commission officials met appreciate that CDCs and administrative structures assist them in training demobilised soldiers in income generating projects as well as to monitoring their projects in different sectors.

The Commission's main concern, however, is that the CDCs are still functionally weak.

**(v) Commission Provinciale de Lutte Contre Le SIDA (CPLS):** This Commission has structures at province (CPLS) and is planned to extend the structures to district and lower levels, to coordinate HIV/AIDS control activities. It is observed, however, that the Commission's activities are yet to be effective. Besides, there is limited linkage and integration with administrative, Women and Youth structures. The main constraint for delayed operationalisation of the Commission's activities is inadequate funding<sup>6</sup>. For example, CPLS in one of the provinces visited submitted budgetary proposals to the national commission in January 2003, but had not received the funds by July 2003.

**Collaboration with National Authorities**

National authorities that operate or are expected to be present in provinces and districts include: Rwanda Revenue Authority (RRA); Office of the Auditor General (OAG); National Tender Board (NTB).

- (i) **Rwanda Revenue Authority (RRA):** RRA is responsible for the assessment and collection of tax revenue and remitting the same to national treasury. However, since 2002 when certain categories of taxes were devolved to districts, RRA has had a loose arrangement with MINALOC to provide technical support to district authorities in revenue assessment, administration and management. In all the districts and provinces visited, this arrangement has not yet been effective, and on average, only about two meetings have been held for district officials by RRA in this regard. The main reasons given for this are:

- RRA offices in the provinces are severely constrained by lack of adequate manpower and logistics to reach out to districts;

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<sup>6</sup> For example, during discussions with CPLS officials in one of the provinces, it was revealed that the national commission had not released any funds since the beginning of the year.

- MINALOC has not yet provided the facilitation (fuel, telephones,) it promised to RRA for this purpose, yet communication with especially rural districts is difficult;
- District officials are often reluctant to come to meetings when called upon, and do not always send the monthly and quarterly reports for monitoring and guidance.

**(ii) National Tender Board (NTB):** NTB has no offices in provinces and districts, but the public tendering is decentralised to provinces and districts i.e. each district has its own tender board. The district tender board (DTB) is appointed by the district council and is autonomous. However, it is the requirement of the national tender regulations that NTB approval be sought for all tenders valued at 3 million Frw and above.

In all the districts visited DTBs seem to hold meetings only when there is a specific tender to consider.

In all the districts visited, it was reported that DTBs have received basic training and orientation by the NTB. This training mainly focussed on national tendering and procurement regulations, but was inadequate.

### 3.4. Service Delivery

#### 3.4.1 Provincial level

Apart from administrative services, decentralisation of services formerly under different line ministries tends to vary with different sectors.

The provincial administration is expected to provide technical guidance and logistical facilitation to technical staff in districts. The situation varies in different provinces, and sectors. In 70% of the districts visited, it was reported that they receive no support from provinces except meetings.

It is also noted that decentralization of health services has not followed administrative units but has been implemented on functional basis. The main observations about decentralised health service delivery are:

- the Health District (*District de Sante*) covers more than one administrative district, and there seems to be no clear structures or procedures on how they ought to relate or how the administrative district authorities should support or supervise health facilities in the district;
- Health Centres are autonomous in terms of budgets and management. Budgets for Hospitals are not reflected in the provincial budgets and their financial management appear to be “closed” to provincial administration.
- Health Facility Management committees are elected by the population but they are not linked with administrative structures e.g. CDCs and DEC. The health facility

management committees are responsible for financial management of their health units including fixing of user fees.

At the provincial level; there are also concerns that the Directorate of Health, Gender and Social Affairs is too big and composed of many diverse sectors. As such, it was reported in all provinces, planning and monitoring of services delivery in such a big directorate is difficult.

### **3.4.2. District level**

Services that have been decentralised to district level are:

- agricultural and veterinary extension services;
- provision of safe water
- education inspection
- health services (District de Sante)
- local tax / revenue collection

In the domain of technical services (agriculture, health, education, infrastructures, etc), the satisfaction of the population in all provinces is generally low. During the focused group discussions with local communities, more than 70% reported that they never see the Agricultural and Veterinary Officers. In 2 of the districts, local leaders and the population reported that they are made to pay for services of the District Veterinary officials<sup>7</sup>. Poor service delivery was also linked to the management gap between the Districts and the Province.

### **3.4.3. Sector level**

It is expected that under decentralisation, the sector will be the major centre of service delivery for common day to day services such as registration of marriages; registration of births; provision of national Identity cards; registration of marriages, births, deaths, etc.

It is observed, from this study, that service delivery at sector level is being implemented to differently in different districts. In some districts (e.g. Bugarura, Rwamiko) District officials (Mayor, Population Officers,...) reported that they have started working in sectors. In others, however, these developments have not yet been done. In all the districts visited, however, district leaders indicated that they have strategies to ensure all basic services are provided closer to the population. The main limitations to devolving certain services to the sector level were reported to include the following:

- law which vests almost all activities in the Mayor;
- lack of adequate staff and logistical facilities to move to the sectors; and
- lack of office premises to operate from at the sectors.

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<sup>7</sup> Local population in some districts are required to pay 3000 Frw to buy fuel for the Veterinary Officer's motorcycle, and pay atleast 2000 Frw for their services. Some of the farmers who could not pay such fees have reportedly lost their livestock.

### 3.4.4 Cell level

The only services provided at cell level are mainly administrative i.e. recommendations and references of residents. Community services such as agricultural extension are managed at the district level.

## 3.5. Fiscal and Financial Decentralisation

### 3.5.1 Province

As the province is the deconcentrated level of central Government, it receives its operational and development budget from the central Government. In addition, the provincial authorities have autonomy in mobilising and receiving support from donors.

All the 6 departments and the Office of the Prefect prepare medium term expenditure framework (MTEF) and annual activity plans with budgets, based on the ceiling provided by the Ministry of Finance and Economic Planning (MINECOFIN). These are then merged to make one Provincial budget that is submitted to the central Government. Table 6 below, shows the budget performance of the selected provinces.

**Table 6: Budget Outturn (000' Frw) for Selected Provinces for the period 2001- 2003**

Province	Financial Year								
	2001			2002			2003		
	Budgeted	Received	% Disbursed	Budgeted	Received	% Disbursed	Budgeted	Received <sup>8</sup>	% Disbursement
Butare	NA	NA	NA	NA	NA	NA	2,342,305	NA	NA
Ruhengeri	168,268	141,349	84%	975,486	576,220	59%	2,684,440	90,306.0	14.3%
Kibungo	NA	NA	NA	284,354	142,177	50%	2,232,931	325,330	14.5%
Byumba	NA	NA	NA	NA	NA	NA	2,072,808	NA	NA
Kibuye	190,441	72,363	38%	528,186	207,158	39%	1,859,615	161,822	27%
Gitarama	210,857	87,857	42%	582,835	194,278	33%	2,739,510	145,709	16%
Umutara	NA	NA	NA	NA	NA	NA	1,316,357	NA	NA

*Source: Provincial Financial Reports. July/August 2003*

As indicated in table 6 above, the disbursement of funds against approved MTEFs has consistently reflected shortfalls, so that most of the planned activities in the provinces are not implemented.

In the domain of financial management, the provincial administration runs a cash budget, following guidelines provided by MINECOFIN. It is expected that the

<sup>8</sup> Notice that the year 2003 has not ended and it is expected that more funds will be released by the end of the year.

Executive Secretary is the overall accounting officer of the Province. It is noted, however, that no clear procedures are followed in reporting, and financial reporting is irregular and non-uniform. The main reason given for this are the lack of competent personnel in financial management. The information in table 7 below provides evidence this argument. It was also observed that even where Accountants and Auditors exist, the turn over is high so that the average length of stay of existing staff is about one year or less.

**Table 7: Presence & Qualifications of Financial Management Staff in Provincial Administrations**

SNo.	Province	Accountants			Internal Auditor		
		A0	A1	A2	A0	A1	A2
1	Kibungo	-					
2	Butare	-	X	-	-	x	-
3	Kibuye	-	-	-	-	x	-
4	Ruhengeri	-	-	-	-	-	-
5	Byumba	-	-	-	X		
6	Gitarama			X		X	
7	Umutara	-	-	-	-	x	-

X= present; - = non existent

Source: Field data from Provinces, July/August 2003

### 3.5.2. District level

The district authorities obtain their budget from 3 main sources, namely:

- ❑ *Central Government grants* i.e. from the 1.5%<sup>9</sup> of the national budget committed to support operational budgets of districts (local Governments). This is received through MINALOC.
- ❑ *Locally generated revenue*, mainly obtained from local taxes (i.e. licences, fees, rents, rates,);
- ❑ *Community Development grants* from 10% of the national budget released through the Common Development Fund (CDF) to support district development activities;

The CDF funds are conditional to submission of projects which must be approved by the CDF board. To date, the main projects supported (releases for financial year 2003), have been the construction of 172 sector offices in various provinces.

<sup>9</sup> There is a Government decision to increase the grants to 3% beginning with financial year

**Table 8: Budget Outturn (000'Frw) for Selected Districts for 2001- 2003**

	Financial Year								
	2001			2002			2003		
District	Budgeted	Received	% Disbursement	Budgeted	Received	% Disbursement	Budgeted	Received <sup>10</sup>	% Disbursement
Rusumo	NA	NA	-	NA	NA	-	41,631.2	17,586	42.2%
Cyarubare	NA	NA	-	NA	NA	-	70,137	10,000	14.2%
Bugarura	NA	NA	-	NA	NA	-	NA	NA	-
Bukonya	NA	NA	-	NA	NA	-	NA	NA	-
Save	21,989	11,200	54.1%	132,707	65,592	49.4%	NA	NA	-
Nyakizu	NA	NA	-	NA	NA	-	NA	NA	-
Ndiza	NA	NA	-	174,592	40,084	22.9%	187,597	NA	-
Ruhango Urban	NA	NA	-	24,807	40,987.4	161.5%	109,572	NA	-
Rusenyi	21,989	11,200	51%	132,707	65,592	49%	263,478	29,519	11.2%
Kibuye Urban	67,316	37,788	56%	86,576	66,169	76%	49,587	43,830	80%
Rwamiko	NA	NA	-	47,593	31,431	66%	67,808	18,720	27.6%
Bungwe	NA	11,046	-	11,745	NA	-	79,693	10,637	13.3%
Kahi	NA	NA	-	32,609	28,678	88%			
Umutara Urban	16,475	10,822	66%	52,000	17,235	33.1%	103,147	8,743	8.5%

NA= Not Available Source: Province & District Financial Reports. July/August 200

### Local revenue Sources and performance

The example in Annex 3 provides an overview of the sources and performance of local government revenue. Detailed analysis has been constrained by inadequate reliable of data on districts' financial transactions, due to absence of information management practices and unavailability of Accounting personnel in many districts.

**Table 9: Presence and Qualifications of Financial Experts in Local Governments**

SNo.	Province	District	Accountants			Internal Auditors		
			A0	A1	A2	A0	A1	A2
1	Kibungo	Cyarubare	-	-	-	-	-	X
2		Rusumo	-	-	X	-	-	X
3	Butare	Save	-	-	X	-	-	X
4		Nyakizu	-	-	-	-	-	X
5	Kibuye	Rusenyi	-	-	X	-	-	-
6		Kibuye Urban	-	-	X	-	X	-
7	Ruhengeri	Bugarura	-	-	X	-	-	X
8		Bukonya				-	-	-
9	Byumba	Bungwe	-	-	X	-	-	X
10		Rwamiko	-	-	X	-	-	X
11	Gitarama	Ndiza	-	-	X	-	-	X
12		Ruhango Urban	-	-	X	-	-	X
13	Umutara	Nyagatare	-	-	X	-	-	X
14		Kahi	-	-	X	-	-	X

X= present; - = non existent Source: Field data from Districts, July/ August, 2003

<sup>10</sup> Notice that the year 2003 has not ended and it is expected that more funds will be released by the end of the year.

As indicated in table 9 above, local governments have a serious problem of inadequate competent and well-qualified staff in financial management and audit: All (100%) of Accountants in the districts visited were A2 (i.e. secondary education level). In addition, only 8.3% of Auditors are qualified.

### ***Major Concerns in fiscal and financial decentralisation***

The main concerns related to fiscal decentralisation and financial management revolve around inadequate funding and lack of effective transparency and accountability mechanisms as indicated in the following observations:

- ❑ *Insufficient linkages between Provincial MTEFs and those of the Districts.* There are concerns that district and provincial MTEF proposals tend to overlap and could result in double budgeting. Moreover, the mechanisms and conditions for disbursement of Provincial and district grants from the centre are different.
- ❑ *Mechanisms at the province and district for monitoring budgeting and public expenditure management are inadequate.* Audit Inspectors in some provinces never carry out financial inspections and audits in districts and where its done, it's a fire fighting approach i.e. when cases of financial mismanagement are reported. Its almost impossible to talk about the Office of the Auditor General in the districts and provinces.
- ❑ *Financial and accounting procedures in most districts are either not in place or followed.* In all the districts visited, it is not clear how the bank Accounts are opened and managed; expenditure documentation is poor or non-existing, and financial reporting and record keeping generally not proper. It also appears that there is low appreciation and culture of financial record keeping in districts and some provinces.
- ❑ Where incidences of financial mismanagement (e.g. embezzlement) are reported, there is limited evidence of follow-up. This sometimes encourages financial mismanagement in local governments.
- ❑ *Local revenue generation in districts* is generally low, due to low revenue base, and the lack of capacity of local governments to plan and manage taxation. Moreover, RRA and the PA are playing almost no role in supporting the districts in revenue generation and management.
- ❑ *transparency and accountability* in public tendering procedures and strict follow-up to ensure value for money, is often lacking, and the NTB seems to have limited capacity to monitor the process;
- ❑ there are concerns from certain local authorities that the current *resource allocation formula used to determine the amount of grant transfers from*

*central government* to districts does not treat all districts equally. In particular, the districts with small geographical sizes and populations feel disadvantages by the use of these criteria. This matter was an area of contention in one of the restitution meetings during consultations in provinces.

### 3.5.3 Sector and Cell level

There are no funds generated at or released to administrative levels below the districts. Sectors and cells are presently working without budgets. Although districts receive funds for operational budgets and collect tax revenue in sectors, only 7% of the districts visited have formal provisions for financial support to sectors (see example in box 1 below).

#### **Box 1: District Strategy for financial support to Lower levels**

Bugarura district authorities have taken fiscal decentralization a step further. The district authorities recognized the role played by the Sector administration, and the operational needs, and made a decision to devolve some responsibility for revenue collection to Sector level. As such, all Sectors in the district have been allowed to collect and retain 70% of revenue from selected items e.g. fees from local brew, fines, etc., and remit 30% to the district treasury. Whilst the revenue collected is not adequate to meet all their operational needs of the Sector administration, many sectors are atleast able to buy stationary and other office costs, which are a constraint in other districts.

This has also given a sense of responsibility and appreciation to lower levels of administration – that decentralization is not just about sharing administrative burdens but also facilitation. Elsewhere, Sector administrators complain of lack of facilitation from higher levels, but the Bugarura option could provide an appropriate solution if adopted and modified according to the situation.

At a time many people are convinced that the Sector level is the most suitable centre of service delivery, it is important that all efforts to strengthen and motivate sector administrations are encouraged. As such, therefore, the Bugarura case can be a useful input in modeling fiscal and financial decentralization in future, and a lesson to encourage self initiatives among Local Governments.

## 3.6. Community Development Planning and Participation

### 3.6.1. Functioning of the CDC at different local levels

#### *Organisational Structure*

The CDCs are constituted of 6 members at cell, sector and district level, with different responsibilities as follows:

- ❑ Community development (CDC president)
- ❑ Women
- ❑ Finance

- ❑ Youth;
- ❑ Health
- ❑ Education, Culture and training

The CDC structure ensures that different levels are linked i.e. district CDC is constituted by presidents of Sector CDCs; Sector CDC is constituted by Cell CDC presidents. This ensures that the priorities identified at lower levels effectively get incorporated in the priorities at high levels.

The general observation, however, is that CDCs especially at Cell and Sector levels are not yet very effective. Less than 10% of the sectors visited had identified and implemented projects through CDCs.

The main concerns raised about CDCs in general include:

- ❑ Low literacy levels of most CDCs limits their conceptual understanding and capacity building efforts.
- ❑ Roles and responsibilities of different CDC members are not yet clear for most CDCs. More than 80% of sector and cell CDCs interviewed claimed only the CDC president is recognised, and had not been guided on what their roles are and what they are expected to do. Most training and capacity building interventions so far have focussed on CDC Presidents, leaving others to feel they have no role to play.
- ❑ There is limited interaction and working linkages with technical officials. There are also no guidelines on the conduct and operations of the CDCs, and how they relate with technical officials in the districts.
- ❑ At lower levels, political/ administrative functions tend to be fused. No specific CDC meetings have been held. Local leaders claim the development needs are identified in general meetings organised by the CPA. This implies that development activities are always not discussed, as cell and sector general meetings tend to be dominated by administrative and political issues. No minutes or records of meetings for CDCs were availed.
- ❑ At district level, CDC officials (mostly the president) tend to be more concerned with financial management issues (control of accounts, award of tenders,) that identifying and monitoring projects and supporting lower level CDCs to develop capacity.
- ❑ In the districts visited, CDCs have received very limited (if any) technical or logistical support from the Provincial Administration (the Directorate of Finance and Planning is expected to provide technical guidance and support to planning structures in districts).
- ❑ Presidents of CDCs are, in most cases, the only signatories of the CDC accounts, and no financial reports of how CDC funds are utilised are prepared by the managers. Some CDCs' accounts have no particular signatories but funds are continually withdrawn, making control of expenditure difficult. These incidences have particularly been reported in Ruhengeri, Byumba and Umutara

provinces, where local governments have also lost funds through bank transactions.

### 3.6.2. Description of the Planning Process

Under decentralisation, the planning process is expected to be characterised by the following:

- ◆ *Medium term planning*, where the districts make three – year development plans, which are then rolled over and updated annually in accordance with the priorities and the resource envelope. Resource allocation accordingly follows a Medium Term Expenditure Framework (MTEF).
- ◆ *Bottom-up planning* where the development needs and priorities are identified by the communities themselves at cell level, and prioritised through the CDC channels that stretch from cell-sector-district level, which puts them in project form in the district development plan.

At the district level, the planning process was described to involve:

- identification of development needs at grassroot level through monthly meetings of cell councils (*Njyanama y'Abaturage*). The cell CDC then makes a report of the development priorities approved by the cell council and submits it to the CDC at sector level;
- the sector CDC analyses the priorities from different cells and make priorities. These priorities are then taken to sector council for approval;
- the approved sector development priorities are then submitted to the district CDC, which considers priorities from the different sectors.
- the selected priorities are then submitted to council for approval
- the development priorities approved by the district council are then constituted into specific projects/ proposals for implementation in the District Development plan.

A number of districts in various provinces have either elaborated their District Development Plans (DDPs) or are in the process of preparing them following participatory approaches through CDCs. Table 10 below shows for each of the provinces visited, districts that have DDPs and supporting interventions.

**Table 10: State of the District Development Planning Process**

Province	Total No. of Districts	No of Districts with DDPs	On-going DDP process	No DDP	Supporting Intervention
Kibungo	8	0	8	-	USAID/IRC
Butare	10	3	6	1	World Bank/CRDP; PEAMER
Ruhengeri	11	11	0	-	PADDEP/ HELPAGE
Byumba	9	5	3	1	PEAMER; World Bank/CRDP
Kibuye	6	0	6	-	Swiss/ Paix et Développement
Gitarama	10	7	3	-	PEAMER; PADEC/ SNV
Umutara	9	2	4	3	World Bank/CRDP; IFAD/PDRCIU

Source: Field Data Collection/ VNG Consultants, July/ August 2003

Despite this progress, several issues are of serious concern to stakeholders. The main ones that were raised from discussions and analysis of DDPs during this study include:

- ❑ *the limited involvement* of the local leadership especially the CDCs who should have taken the lead in the planning process, as well as almost total lack of involvement of district and provincial technical staff and DCs. This study as with previous studies (e.g. Madsen June 2003) has observed that the planning process in most districts has been controlled and dominated by the Consultants and intervening agencies. In some districts, disagreements with district authorities are reported. This raises serious questions for local ownership and sustainability of the planning process.
- ❑ *Limited coherence with national priorities*: In all the districts found with DDPs, the selection of projects for consideration in the DDPs has been based on the local needs and the priorities of intervening agencies<sup>11</sup> with little or no reference to the PRSP.
- ❑ *Non uniformity of the planning approaches used in different districts*. This is because of different influences.

### 3.6.3. Appreciation of the participatory process

The level of participation, particularly in planning, is different at different levels. At the cell level, local communities have participated actively in giving their needs and development priorities through the CDCs, and other forums (e.g. organised by NGOs planning to support them).

The other positive aspect is the improvement in local contribution to community development projects. In some cases (e.g. HELPAGE/ PADDEP), the local population have contributed as much

<sup>11</sup> Most NGOs and donors supporting districts come with specific areas to support e.g. construction of health centres. This has influenced the district authorities to change priorities according to available funding.

as 20-25% in terms of local materials and labour. In Butare, participation is high, especially in the *Ubudehe* programme.

Local communities appreciate the new approach of consulting them on their needs and priorities before a development project is established.

### **3.7. Emergence and Description of Civil Society Organizations**

Emergence of a strong and vibrant civil society is one indicator of success of decentralisation programmes, because indigenous civil society organisations (CSOs) would provide the needed bridge between local government authorities and the local population in terms of information flow, civic education; monitoring of reduction programmes and observance of human rights, etc, all of which enhance accountability and transparency.

#### **3.7.1. Provincial level**

A number of international, national and local NGOs are involved in implementing different donor funded decentralisation activities in different provinces. Hre most noticeable ones in the provinces visited include: International Rescue Committee (IRC)/ USAID in Kibungo; CARE and Helpage/PADDEP in Ruhengeri; Swiss/ Paix et Developpement in Kibuye; SNV/PADEC in Gitarama; World Bank/ CRDP in Byumba; SALA IDA/ in Butare; and a consortium of local and international NGOs in the IFAD/ PDRCIU project in Umutara.

National NGOs identified in provinces include:

- ◆ Reseau des Femmes
- ◆ HAGURUKA;
- ◆ Duterimbere;
- ◆ Profemmes TWESE HAMWE;
- ◆ ASOFERWA;
- ◆ RWARRI.

These NGOs are involved in advocacy and capacity building activities in the areas of gender and human rights, child protection, savings and credit mobilisation for women, and support for the vulnerable people, among others. In the districts visited, the most prominent ones were women organisations.

It was observed, however, that some of these NGOs face severe operational constraints and their activities are often not felt at district and lower levels. Besides NGOs and CBOs, the independent media is also not very active at local level. DMU/MINALOC maintains a link with national media (especially newspapers) but at province and lower levels, such arrangement is weak or no existent.

The main concerns pointed out by CSOs in regard to operations of civil society include:

- (i) There are very limited partnerships between CSOs and Government structures at all levels; with local population; or among CSOs themselves.
- (ii) Many of the existing NGOs and CBOs have their own agendas often heavily influenced by their donors, and they may not be flexible to integrate new approaches or activities. It was also noted from discussions with CSOs that inflexible budget and time schedules given by donors are largely responsible for the rushed programme implementation.
- (iii) Organisational and financial constraints limit the programming and operations of especially national NGOs and CBOs beyond their head offices. For instance, Duterimbere has only one staff in Byumba Province who also operates without an office or budget.
- (iv) Long held culture of fear and dependency on the state still limits the emergence of a vibrant local civil society. This has persisted inspite of the enabling legal and policy framework put in place by the Rwandan Government of National Unity (GNU) such as a liberalised media, freedom of speech, etc.

A number of development partners have expressed concern for the development of competent local CSOs as partners in ensuring sustainability of development interventions. International NGOs already working with or through local and national NGOs include Concern worldwide and CARE. Both have a strategy for capacity building of local NGOs based in districts and provinces, but their strategies are limited by absence of local CSOs to support. CARE has commissioned a study on Local CSOs to analyse the strengths and weaknesses as a starting point for supporting local civil society.

### **3.7.2. District level**

There is limited civil society activity in the districts visited. However, a number of local associations have sprung up. These associations are playing different roles in poverty reduction.

### **3.7.3. Sector and Cell level**

Many local associations have been established at cell and sector levels. More than 90% of the local associations are involved in income generating activities. They include livestock farmers; vegetable growers; and micro credit schemes.

Women are particularly active in forming and managing local association. It is also observed that women are particularly active in these associations. For example, Cyahinda sector (Butare province) alone has 6 women's associations, while in Nyakayaga sector (Kahi district), the only viable association with physical assets is run by women.

The main concern is that most of the local associations are too fragile and weak to play any civic role e.g. to lobby and influence decision making or even look for information and mobilise financial or technical support from outside their community.

They also lack adequate support from and communication with the outside world, and so they have limited access to information on technology, markets and capital finance.

## 4.0. APPRECIATION OF THE IMPLEMENTATION PROCESS

### 4.1. Institutional Structures and Legal Frameworks for Good Governance

#### 4.1.1 Political and Administrative structures

The appreciation of the local governance structures put in place is analysed in terms of the following:

##### *(i) Institutionalising democracy through elections of local leaders*

All leaders at cell and sector level have been elected, first, during the local elections of March 1999, and then in March 2001. At district level, the DC and DEC have been elected during March 2001 elections. This democratisation of local governance is widely appreciated by the local populations for the following values:

- Local people claimed, in about 80% of the cells visited, that they can openly talk about their leaders' qualities and abilities, as opposed to previously where local leaders were feared;
- The population in all the cells visited appreciate the value of power, where they have options to remove their leaders from office in case of dissatisfactory performance. In all districts visited, there are cases where leaders at cell, sector and District level have been voted out office due to bad leadership<sup>12</sup>.
- Elected leaders were reported to be *more responsive and sensitive* to the concerns and needs of the electorate. They try to assist them as much as they can to avoid bad reference.
- Decision making in Councils (especially at local level) is generally by consensus, and is difficult to manipulate especially at lower levels;
- There is also appreciation that the electoral process *gives the population opportunity to veto leaders* aspiring for higher positions. For example, Sector Co-ordinators must first be elected at Cell level as Cell Co-ordinators.

The appreciation of the democratisation is also indicated by the response to local election:

##### *(ii) Creation of many centres of administration has reduced corruption*

The main values mentioned by the population on committee leadership are:

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<sup>12</sup> In Ruhengeri province, a district CDC president was voted out of office for corruption involving embezzlement of CDC funds; in Kibungo Province, a Mayor was removed for alleged mismanagement of funds. In Umutara province, a District Executive Secretary was dismissed for diversion of funds accruing from Marriage registration fees. In all cases; the new leadership appear to be cautious such practices.

- ◆ that decision-making, a situation that has minimised the incidences of corruption, which was reportedly rampant under the one-person leadership of Bourgmestres. *“Even if one attempts to bribe, he/she cannot bribe the entire committee which has to make the final decision”*, emphasised local people during the discussions in all provinces. This is assisting to entrench transparent and accountable leadership.
- ◆ leaders are more available to solve people’s problems, whenever they are needed. Some of the expressions of this satisfaction are indicated in the following quote: *“Not all the 10 members of the Cell Committee can be away at the same time”*
- ◆ there is administration of Justice at local level, and the incidences of favouritism have reportedly reduced mainly because of committee leadership, but also because higher administration levels are easily accessed by the population. *“It is unlikely that one can have conflicts with or be favoured by all the 10 Committee members. Atleast one will try to be fair in case someone comes with a problem. Moreover, one can continue to higher levels if not satisfied with the decisions of lower leaders”*.

*(iii) There is progress towards consultative leadership and decision making by consensus.*

Local communities now appreciate that they have to be consulted on almost all activities to be undertaken in their localities whether it requires their input or not. All decisions made must be approved by the council at all levels. This, however, depends on the strengths of district councils.

The main concern is the dominance of Executive Committees (district & sector level), and the relatively weak Councils. In some districts (e.g. Rwamiko, Kahi, Nyakizu,) the DCs are still very weak and DEC and Executive Secretaries have exploited these weaknesses.

*(iv) Affirmative action for women and youth in administrative positions has reduced gender imbalances in governance and community development activities at all levels.*

The legal provisions that guarantee representation of women and Youth in Council and Executive Committee at all levels (cell, sector and district level) have provided opportunity for women and youth to participate in governance activities. In addition, women reported that they have respect in family and community; and that the women structures (*structures organisation de femmes*) created under decentralisation, are assisting them to solve their social and economic problems better.

Although women’s representation is still very low compared the national target of at least 30% (table 4 on page 18), women are have special positions in key positions e.g. DEC, and are catered for in development activities. ***All the districts visited have Women’s development fund to support women’s projects. The main concern is the lack of capacity to elaborate projects to utilise these funds.***

It is, observed, however, that Women and Youth structures are not well linked to administrative structures, and are not yet operationally effective. In some of the provinces visited, women and youth structures did not have specific budgetary provisions in the province's budgets. In some areas, women's representatives claimed, that they are not adequately catered for under decentralisation. ***“Three years ago, MIGEPROFE used to send us money directly to undertake Women Councils' activities and coordinate Women structures in districts. Now, we have to depend on the informal releases from the province which depends on the decision of the Prefect”*** – Women's President in Ruhengeri province.

*v) Decentralised administrative structures have been effective in maintaining security and mobilising communities*

The administrative structures ensure that sector officials present regular up-to-date reports to districts, which are also based on weekly reports received from cells. In all the districts visited, the most up-to-date and reliable information has been on security.

This administrative machinery has also facilitated community mobilisation for such community development activities like *Umuganda*. Examples in Box 2 below present an appreciation of the achievements of community participation.

**Box 2: Appreciation of the fruits of Community participation**

In many sectors and cells visited, local people are enthusiastic to show what they have achieved through community participation. Examples include: extension of water stretching 4 Kms in Nyakayaga sector, Kahi district; construction of 12 Km of rural access road in Kabacuzi sector, Rwamiko district; establishment of a plantation forest in Gatengerane sector, Bungwe district, and several sector office elsewhere. This demonstrates that Rwandan population, formerly largely dependant on the Central Government, are beginning to have self confidence that they can develop with their own efforts.

***There are concerns, however, that the successes of local administrations at sector and cell level presently depends largely on the good will and self motivation of elected leaders – they have to spend their own resources to buy stationary and incur transport costs to attend meetings and submit reports. This may not be sustained unless external motivation mechanisms are devised (e.g. facilitation with bicycles, compensation of incurred costs, etc) to local leaders.***

*(vi) Frequent meetings and consultations have assisted to foster unity and reconciliation*

The local population appreciate the culture of regular meetings where they openly and freely discuss their problems and development concerns. Most communities argued that local communities were highly polarised as recently as the last 3-5 years, but frequent meetings and sensitisation have greatly assisted to bring people together, as they are

compelled to think and work together. This has facilitated the reconciliation process. The NURC officials met in provinces also seem to agree with this view.

*(viii) Decentralisation has created an enabling environment for household and community innovativeness in development actions.*

At local level, evidence for this is provided by the emergence of many local associations most of which are focussing on income generation activities.

At community and institutional level, a number of interesting innovations have emerged, as examples in box 3 below show.

### **Box 3: Development Innovativeness in Decentralised Units**

One of the challenges that development initiatives face in Rwanda is the long held attitude of depending on the centre. With the Implementation of decentralization, these are gradually changing, as decentralized units and communities learn to be innovative in governance and development actions. Case studies from the field are summarized below:

1. In Kibungo province, a forum- *Kibungo Development Forum (KDF)* has been formed at the initiative of local leaders, to mobilize ideas and resources for development. KDF brings together a diversity of people – politicians, professionals, civil society and private sector business people, civil society. This diversity is the main point of strength of KDF. KDF supports local policy formulation and development actions, and is focused on ensuring mobilization and coordination of development resources: partners. The achievements so far, of the young KDF include the new University of Kibungo, and a local radio station is proposed to boost mobilization of communities. In collaboration with district authorities, KDF has started development projects in the areas of agriculture (growing of improved coffee); education (construction of school infrastructures) and in tourism (developing tourist attractions)

At sectoral level, *Kibungo Parents and Teachers' Association (KIPATA)* has been formed. This has provided a forum for stakeholders- parents, teachers, children, local administrators, etc, to discuss and address the problems in education.

2. In Rwamiko district, the local population of Kabacuzi sector and Kirwa Cell in Rambura sector were faced with a problem of long walking distances to school. As a result, young children stayed at home, and many older ones hated school. In the last two years, the community decided to construct a 2-classroom infants' school. They are also paying the teachers' salary. The problem of young children not going to school has been solved by the Community's own initiatives.

*One lesson from these examples is that the achievements very much depend on the quality of leadership.*

### **4.1.2 Legal Framework**

Elected leaders at all levels (cell, sector and district) in the districts visited, seem to have basic understanding of the laws and regulations in decentralisation (e.g. conduct of meetings, taxation, women and children's rights, etc), and this has been attributed to the sensitisation seminars and legal documents provided by MINALOC through the Provincial Administration, as well as training and awareness raising provided by NGOs and CBOs.

As a result of this, district and lower administrative units are following the legal procedures in their work compared to say 2001. The remarks of one of the Prefects and a Provincial Executive Secretary in the following quotation summarises this appreciation. ***“Most district council now follow procedures in disciplining leaders or technical staff e.g. in voting out a leader, compared to the situation in 2001, when we were always cancelling their decisions, because of failure to follow the laid down procedures.”***

The other area of improvement is in record of minutes. More than 80% of the cells visited presently record minutes of meetings compared to 2001 when almost none did<sup>13</sup>.

***For the Youth and Women structures, however, no guidelines or policy booklets*** have been provided to explain the role, expectations and conduct of youth and women structures. As a result, most of the Youth and Women leaders do not know what they were elected for; some do not know when their mandate expires; and those who are active are operating without clear legal and policy framework. In some cases, Technical officials in the Provincial administration appear not to know the roles of these structures. This situation is worsened by lack of budgetary provision for these structures in the districts and provincial budgets.

*Some of the laws and regulations especially relating to financial management, and domestic (family) laws are not clear or understood by local leaders and the population.*

This is evident in the following situations:

- Conflict between Executive Secretaries and the Mayors over registration of marriages (*gusezeranya*) were reported in some districts;
- Sector and cell leaders are often making judgments on conflicts involving domestic laws, some of which are outside their jurisdiction.

## 4.2 Fiscal and Financial Decentralization

The main appreciations in the area of fiscal and financial decentralisation at different levels relate to the following:

- *autonomy of decentralised units in budgeting and financial management:* Provinces and districts are given funds on the basis of their MTEFs, and are independent in decision making on how to spend the funds. This has assisted them to manage their expenditures according to the available funds and priorities. There is, however, little appreciation on disbursement of funds because of delays. However, the situation has improved since 2003.

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<sup>13</sup> In all the cells visited, it was difficult to find minutes of meetings of previous years. While this is partly due to poor storage of records, most cell leaders and population admitted they never use to write minutes in the previous years.

- The *devolution of certain categories of taxes* to districts is providing alternative sources of local government finance. While for all the districts visited, the revenue from taxes is still very low, local tax revenue could be a good instrument for monitoring good practices - how districts generate and utilise their own funds, and as a tool for providing incentives for districts to attain fiscal maturity. This is especially so since most grants from the centre are often conditional (projects, etc). Some districts have started new strategies of improving local revenue collection. ***In Rwamiko district, for instance, tax collection has been privatised, which is reported to have significantly increased revenue (by about 120%).***
- *Development financing provided by the Central Government through the CDF* is highly appreciated by the district authorities. The appreciation of the different district and sector leaders is summarised in box 4 below.

#### **Box 4: Appreciation of CDF by Local authorities**

In its first year of operation, the CDF has supported a number of projects in decentralised units, mostly targeting Sectors. The following reflect the appreciation and concerns of local governments:

- Committed funds have been disbursed with relatively minimum delays compared to other programmes.
- The construction of sector offices reflected a genuine need in decentralized service delivery. It has been argued that the creation of districts by merging former communes has taken services far from the population than prior to decentralization. To remain popular and diffuse the polarization along former commune boundaries, district officials are under pressure to take basic services to sectors. Indeed most of them have started conducting local government business in sectors. However, this is limited by lack of appropriate premises at sector level. Hence, the decision to construct sector offices is seen as of high priority. In all districts, local leaders have responded very positively in contributing money, labour and materials in the Sector projects.
- CDF influence in the management of funds has been relatively minimal. Tendering and project implementation process is entirely managed by the CDC and the district authorities, and this has given the Local Governments an opportunity to learn execution of projects.
- The release of funds has stimulated local leaders and communities to contribute with ease. Local people are contributing as much as 300 – 1000 Frw for the project.

A number of concerns were, however, raised by local authorities and other stakeholders:

- that the conditionalities e.g. requiring districts to prepare high quality proposals are unrealistic given the lack of technical capacity in districts. Moreover, CDF does not provide funds to hire Consultants;
- that CDF priorities are inflexible. They argue that their priorities are based on national priorities, while district authorities maintain that their projects are based on local people's needs; and,
- that there is limited supervision and monitoring by CDF and that CDF is still highly centralised.

At the provincial level, the financial management tends to reflect over-centralisation where by sectoral budgets are controlled by the Office of the Executive Secretary and the Prefect, with no or limited involvement of the Directors in decision making on allocation. This situation reflects lack of transparency and accountability, and has affected planned sectoral activities, as most Directors cannot even know how much of their approved MTEF has been released or is available. There is a tendency for Executive Secretaries and Prefects to reallocate funds to “priority areas” without consulting the concerned departments.

The other observation is that, MTEF budgeting in the provinces seems to be just routine work which does not reflect output based budgeting and expenditures as the principle of MTEF budgeting requires. The responsibility gap between provincial administration (where provincial administration don't seem to be accountable for activities in the districts), has "helped" the provinces to live within severe budgetary constraints – although service delivery to communities has severely declined.

### 4.3 Coordination and Harmonisation of Interventions

The appreciation of Coordination is analysed from 2 perspectives: administration and governance; and coordination of interventions.

#### 4.3.1 Administration and governance functions

This relates to the coordination and linkages between the centre and decentralised units, and among decentralised units. This appreciation can be summarised in the following observations:

*At the province level:*

- *Joint budgeting (provincial) MTEF* has assisted to bring together the line departments, and to a lesser extent districts. There is appreciation that since the sectoral budgets and the budgeting process was devolved to the province, most line department directors and staff "feel" they belong to the Province as opposed to when the line ministries still had control over operational budgets. This also relates to salaries.
- *Regular departmental meetings* of Directors with the Prefect and Executive Secretary; and the supervision strategies used (*ordre de mission*, activity reports, etc) seem to bond the provincial administration. There is sharing of resources – e.g. vehicles, which was reportedly not the case in 2001 when each department/ sector managed their own facilities.

In general terms, however, coordination of administration is still weak. Some of the limitations for effective coordination of administrative activities are:

- *the roles of the provincial administration (PA) in decentralisation are not yet effectively executed vis avis districts.* Part of the reason, as earlier emphasised is the inadequate personnel and facilitation.
- The existing coordination framework is weak. Although the roles of the PCC are clearly stipulated in the statute books, they are not always fulfilled in practice.
- *The Office of the Prefect is loaded with many responsibilities* – security, administration, monitoring technical services and financial management, etc. In most

provinces, Prefect's office has been effective only in matters of security and very little on technical services and administration.

- It would appear that the framework for *participation of line ministries is not yet clear to or appreciated by line ministries*. This is related to the concerns raised that line ministries have yet to actively participate in the decentralisation process. That “*some line ministries have not yet internalised the decentralisation policy*” was frequently pointed out during consultations in provinces.
- *Local governments within the province have no appropriate forum* where they can come together and plan; evaluate their performance; share and exchange information; as well as coordinate their support from the provincial administration. The only appropriate umbrella i.e. RALGA is far away at the national level.

*At the district level, the main observations include:*

(i) *District Executive Secretaries* are generally not effective coordinating technical services in the districts. Some feel the line staff are beyond them partly because of the provincial influence; others are simply less qualified and not confident; while some have not clearly understood their role under decentralisation.

(ii) *District leadership* (Mayors, etc) roles in planning and supervising technical services are still yet to be appreciated in most districts. “***Mayors still do know that the technical staff in the districts are under them. When they have problems related to schools, they come here rather than asking the Inspectors in their districts.***” remarked the Director of Education, Youth and Sports in Byumba province.

On close analysis, however, the issue of technical coordination in districts seems to be complicated particularly by capacity problems as well as unclear functional roles. A common question most Executive Secretaries ask is: “***How can you supervise someone you don't pay or give fuel? What do you expect him/ her to do?***”

#### 4.3.2 Coordination of interventions

There is very limited coordination at the level of interventions by donors, NGOs, and line ministries.

It is also not clear who in the PA is responsible for coordination of NGOs. Some provinces claimed it is the responsibility of the Executive Secretary, in others it's the Director of Finance and Planning while in others it's the Office of the Prefect. Meetings between the PA and intervention agencies are rarely held. Such meetings were reported in only 10% of the provinces visited.

In some cases, NGOs submit activity reports to PA at their own initiative but these are most times never read and often there is no feedback from PA.

The lack of coordination of development partners were reported to have implications for duplication, overlap and difficulties in monitoring interventions. For example, in Ruhengeri province, 2 NGOs were requested by district authorities to finance the construction of a health centre at the same time and place, a situation that caused confusion.

The need to harmonise interventions has been stressed by mostly international NGOs, who expressed concern that the PA has no clear framework for coordination and supervision of development activities. Where regular meetings are held between PA and intervention agencies, there is appreciation that problems of overlap are being addressed. A number of NGOs, however, have expressed willingness to have a coordination framework for their operations.

#### **4.4. Information, Communication and Civic Education**

Civic education has been intensive on national programmes like elections; Gacaca; Unity and Reconciliation; and women and children's rights. In these programmes, decentralised structures (administrative, youth and women councils) have been effective channels for information dissemination.

It is observed, however, that sensitisation on HIV/AIDS and reproductive health are still limited at sector and cell level. This was observed in about 50% of sectors and cells visited.

Information flow has generally been weak at levels below the district, with little trickle down to the grassroots. The district authorities are always invited for training and sensitisation but most often do not sensitise or pass on the information to lower levels. Executive Committees and Councils at lower levels are often not informed when donor funds received by the district. This often raises issues of transparency and accountability.

The culture of consultation and feedback is yet to develop. Most district councillors, for instance, do not attend cell and sector council meetings yet these are the forums in which they are expected to get views and provide feedback on district resolutions and plans.

***The main weakness observed in civic education is that its still largely planned and executed through local administrative structures rather than a combination of Government and independent civil societies, as well as the media (radio, newspapers, etc).***

Very few independent civil society organisations (CSOs) are involved in educating or sensitising the population on civic rights and obligations such as elections; human rights. A number of intervening agencies met raised concerns that because of absence of indigenous NGOs and CBOs, their activities may not be sustained when their programmes end.

#### **4.5. Capacity building**

Capacity building activities in the areas of decentralisation and community development have included the following:

(i) *Training* : This has covered a number of areas. They include:

- District tender boards have been trained by the National Tender Board (NTB) in tender procedures.
- MTEF Planning and Budgeting: District and provincial officials have been trained under MINECOFIN/ MINALOC programmes in the basic principles of MTEF and how to prepare MTEF. This training has enabled districts and provinces to develop skills in preparing MTEFs and annual workplans.
- Accountants and Auditors in the provinces and districts have undergone refresher training in financial control, management and reporting, by MINALOC as well as under the USAID funded Fiscal Decentralisation project.
- District and sector CDCs have received limited orientation and training in participatory planning techniques: *Ubudehe* and PREPAF in Butare; CRDP in Byumba, Umutara and Butare; IRC and LWF in Kibungo; PADEC in Gitarama; *Paix et Developpement* in Kibuye; and presently PADDEP in Ruhengeri.
- Save the Children has supported the recruitment, training and facilitation of health and nutrition animators at cell level in Gatonde health district under its Ruhengeri health programme.
- International and national NGOs are conducting training activities in various community development activities in Umutara province under the PDRCIU project.

(ii) *Institutional systems, procedures and guidelines* in various aspects of administrative and financial management have been developed and distributed to local governments. A detailed Financial Management and Accounting Procedures Manual is being used by Local Governments.

(iii) *Technical support in project coordination and financial management* is being provided to the Provincial administration to strengthen their project coordination and management capability so that they can in turn provide technical guidance to the districts. Such projects include PADDEP in Ruhengeri and CRDP in Butare. These interventions are assisting districts and lower level structures to elaborate development plans; prepare action plans and budgets; and provided financial resources (budget support) to implement development projects.

(iv) *Logistical facilities* (transport, office equipment, communication equipment, etc) have been provided to districts and provinces. The outstanding examples include:

- *Provision of motorcycles* to district authorities by MINALOC, NGOs and donor projects. For instance, through MINALOC, most districts have received motorcycles for DEC. It is hoped that these motorcycles will assist the elected district leadership in mobilisation and supervision of development programmes in sectors.

- *Vehicles to provincial administration and districts e.g.* Dutch/ PADDEP in Ruhengeri; IFAD/PDRCIU in Umutara; UNDP in Byumba; and Save the Children (UK) to Gatonde Health District, among others<sup>14</sup>.

- *Communication equipment e.g.* GTZ provided a set of Video equipment and a generator to Bugarura district; and radios provided to sector and cell leaders by various programmes. It is expected that these logistics would facilitate multimedia campaigns and awareness programmes especially in fighting illiteracy, HIV/ AIDS, primary health care and other poverty reduction programmes.

- *Computers* have been provided to districts but their utilisation is generally constrained by absence of essential utilities. For instance, 3 computers donated to Bugarura district have been in store for close to one year.

Despite these interventions, most districts still face severe constraints of transport and office facilities, as table 11 below shows.

**Table 11: Logistical Resources**

Province	District	Vehicles	Motorcycles	Computers	Typewriters
Kibungo	Rusumo	1	5	0	3
	Cyarubare	0	2	0	1
	Province	22*	25	12	1
Ruhengeri	Bugarura district	1	4	-	4
	Bukonya district	1	2	0	2
	Province	32	32	22	7
Butare	Save	1	1	0	-
	Nyakizu	1	1	0	-
	Province	NA	NA	NA	NA
Kibuye	Rusenyi	1	6	2	3
	Kibuye Urban	2	5	2	3
	Province	17	11	27	5
Umutara	Umutara Urban	1	5	1	2
	Kahi	1	6	0	1
	Province	39	13	11	3
Byumba	Bungwe	2	7	1	0
	Rwamiko	4	7	2	3
	Province	21	10	16	0
Gitarama	Ndiza	2	7	2	4
	Ruhango Urban	2	7	2	4
	Province	32	18	13	8

Source: Provincial and District records, July/August 2003

It was observed that on average, 50% of the vehicles and motorcycles indicated in the table 11 above are grounded and therefore not operational. The situation is worse in districts where they have one vehicle. This raises the fundamental question of operation and maintenance (O&M), which affects sustainability.

<sup>14</sup> Gatonde health district encompasses 7 administrative districts including Bugarura and Bukonya districts. Two of the districts are in Gisenyi province while one is in Gitarama province.

On the issue of disposing off assets, some districts are concerned that they are unable to sell off old vehicles reportedly because of Government policy that imposes resale values not attractive to the market. Hence, many district authorities have difficulties in selling off their old vehicles.

It is noted, nonetheless, that efficient operations of the local authorities are also affected by low levels of basic utilities such as electricity. Table 12 below shows that only 28% of the districts visited have electricity, which affects many local government operations.

**Table 12: Presence of Basic Utilities and facilities in Districts & Provinces**

Province/ District	Adequate space	Office	Electricity	Telephone	Fax	E- mail/Inte rnet	Running Water
Rusumo	√		X	√	X	X	X
Cyarubare	X		X	X	X	X	X
<b>Kibungo Province</b>	√		√	√ (14 lines)	√ (2 lines)	√	√
Bugarura	√		X	X	X	X	X
Bukonya	X		X	X	X	X	X
<b>Ruhengeri Province</b>	√		√	√	√	√	√
Save	√		X	X	X	X	X
Nyakizu	√		X	X	X	X	X
<b>Butare Province</b>	√		√	√	√	√	√
Bungwe	X		X	X	X	X	X
Rwamiko	√		X	√	X	X	√
<b>Byumba Province</b>	√		√	√	√	√	√
Kahi	√		X	X	X	X	√
Umutara Urban	√		√	√	X	X	√
<b>Umutara Province</b>	√		√	√	√	√	√
Ndiza	√		√	√	X	X	X
Ruhango urban	√		√	√	X	√	
<b>Gitarama Province</b>	√		√	√	√	√	√
Rusenyi	√		X	X	X	X	X
Kibuye Urban	√		√	√	X	X	X
<b>Kibuye Province</b>	√		√	√	√	√	√
% of districts with utilities	78.5%		28.%	42.8%	7.1%	7.1%	14.2%

√ = available; X = not available; √ = available but unreliable.

Source: Field data from Provinces & Districts, Jul/Aug 2003

#### 4.6. Local Elections

The first appreciation of the local population on the decentralisation policy, in all the areas visited, is the opportunity to elect their own leaders. This has given them confidence that they have an opportunity to express how they are governed. The main indicators for this interest are:

- turn up in local elections, where more than 90% of adult populations voted
- attendance of meetings, and participation of women in debates during meetings
- the ease with which they approach their leaders and demand for accountability from them.

The response of educated people to local elective positions and the ability of local population to selected educated leaders are also high. For instance, about 85% of the district councillors in Ruhengeri and Butare Provinces and more than 60% in Kibungo province are teachers of secondary and primary schools. The level of education is generally higher for urban districts.

*On the method of election*, however, local people in all the districts visited, expressed desire to use secret ballot and elect the Mayor directly, because of the perception that the Mayor (who replaced former Bourgmestres) are the most powerful leaders<sup>15</sup>, and that they can only control his/her influence when they have power to elect or vote him/ her out of office.

#### 4.7. Role of Donors/ Intervention Agencies

There is wide appreciation that donors and NGO interventions are playing vital roles in the areas of human rights, reconciliation, poverty reduction, and community development. The main areas in which donor and NGOs contribution has been reported:

1. *Capacity building of communities, local authorities and associations*: Training and sensitisation of local leaders and communities have been undertaken by MINALOC and NGOs. The training activities have mainly focused is was initially successful in raising awareness of the local population and elected leaders about the decentralisation policy and their roles in governance.
2. *Social infrastructure support* i.e. schools, health centres, etc, have assisted to bring services closer to the communities, and experience the benefits of decentralisation.
3. *Economic Infrastructure*: These include modernisation; construction of markets; rural access roads and bridges; etc. These are expected not only to improve household incomes, but also improve the revenue base for local governments.

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<sup>15</sup> The Rwandan population had for a long time been used to the dominating influence of Bourgmestres. It is rather surprising that eventhough the Decentralisation law gives more powers to the DCs than to the Mayors, the historical perception of the dominating influence of Bourgmestres still persists, and this is sometimes taken advantage of by some Mayors.

4. *Support to household income generating activities:* Many NGOs and donor projects have provided livestock to local people and constructed shelters for poor households. For most programmes (e.g. *Infrastructures Sociale* (IS)/MINALOC, CARITAS, etc) the beneficiaries were the poor households selected by the communities. These interventions are addressing the poverty priorities identified under the national Poverty Reduction Strategy (PRS).

#### 5. *Financial/ Budget Support to districts*

Some NGOs and donor programmes have supported district development budgets, which is assisting some districts to implement their development activities identified through CDCs.

***The main constraints relate to the low absorption capacity of funds in some many districts and as well as in financial management, which affect accountability and release of funds from the centre. The others relate to inadequate disbursements and inadequate follow-up from the center and provincial authorities. .***

On the part of the local governments, there is concern that the conditions for support (e.g. requiring separate accounts, etc) further constrain the financial management capacities in districts. It was noted that a number of district authorities have many bank accounts which are not well managed.

### 4.8 The role of RALGA

The Rwandese Association of Local Government Authorities (RALGA) is designed to play a vital role as an advocacy forum for the local governments; as a negotiating structure and as a forum for capacity building on behalf of the local authorities, among others.

In the districts visited, RALGA has conducted sensitisation meetings with district councils on its objectives and planned actions. It would appear, however, that most local government officials other than the Mayors have not yet been integrated into the concept and operations of RALGA. A number of the Councillors interviewed seem to perceive it as “an association of Mayors” rather than their Association in which Mayors are simply their representatives. This suggests that the institution is yet to move away from its founding history<sup>16</sup> to embrace all district local authorities. The local authorities (essentially the district councils) must feel they are part of the institution and have a say on how its leadership is elected and how it conducts its affairs, if it is to work well.

### 4.9 Mainstreaming Information and Communication Technology (ICT)

Development and utilisation of the Information and Communication Technologies (ICT) is enlisted as one of the main strategies in the implementation of decentralisation and poverty reduction programmes of the GoR.

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<sup>16</sup> The Rwandese Association of Local Government Authorities (RALGA) was originally founded by Mayors of Urban districts and was expanded to include Local Government leaders from all over the country.

Some progress has been made at the level of the province, where relevant departments have access to information on policy and programming at central Government level. The Departments of Finance and Planning in all the three provinces reported that they are utilising ICT infrastructure to exchange information with MINECOFIN and MIFOTRA on budget ceilings and MTEF; and personnel establishments, respectively.

At the district level, however, the main limitations for the development of ICT are the inadequate technical competences and unavailability of basic infrastructures for ICT infrastructure (e.g. telephones, electricity and computers), as information in tables 11 and 12 (pages 46 and 47 respectively) indicate.

#### **4.10 Integration of HIV/AIDS**

HIV/AIDS has serious implications for decentralization because it directly and indirectly affects human and financial resources, as well a direct cause of poverty. It is therefore pertinent that the social, economic and cultural effects of HIV/AIDS be appreciated and accordingly, appropriate measures and strategies for prevention and control, incorporated in multi-sectoral programmes like decentralization.

HIV/AIDS integration is analysed in 2 ways:

- *prevention and control* which covers sensitization, awareness raising and access to control/prevention materials or facilities (e.g. condoms, anti retroviral drugs, etc)
- *mitigation of the effects* of HIV/AIDS e.g. support for the orphans and widow; provision of anti retroviral drugs, etc:

It is noted that a number of NGOs, donors and Government programmes have focused on prevention and control of HIV/AIDS at various levels. Others have directly or indirectly addressed some of the HIV/AIDS effects such as protection of widows and orphans; education for orphans under some Child Sponsorship programmes of various NGOs; and improving household incomes.

It is also observed that women and youth groups have been active in advocacy and awareness raising.

At institutional level, the National Commission for Control of HIV/AIDS (CNLS) has been decentralized to province (CPLS) and district level (CDLS). Although this structure is yet to be operationally effective in most of the districts, it is expected to improve coordination and harmonization of strategies and interventions in HIV/AIDS control.

It was, however, observed that the HIV/AIDS prevention and control, is not yet well integrated in the decentralization programmes.

#### 4.11 Environmental Issues

Environmental sustainability is an integral component of rural development, especially for Rwanda where the economy is largely dependant on natural resources, and the population pressure on land is high.

Considerable progress has been made by the GoR in the areas of policy and institutional framework for environmental management. A comprehensive national environment policy has been drafted<sup>17</sup>. In addition, the proposed establishment of Rwanda Environment Management Authority is an important step in strengthening the institutional framework for coordination and monitoring of environmental management.

In the context of decentralization, environmental issues are increasingly reflected in district development plans, and several NGOs and donor interventions are addressing environmental problems (soil erosion, watershed management, water pollution). In the areas visited, the main interventions in which environmental management has been incorporated include:

- *food security and agricultural production* : e.g. World Vision and DRB in Byumba; and PGRB and World Food Programme in Ruhengeri; which have focused on soil conservation through terracing; as well as,
- *afforestation and agroforestry activities* e.g. PDRCIU in Umutara, and national tree planning programme. Under these programmes, tree nurseries have been established in different areas.

The main concerns are:

- (i) most environmental activities tend to be project based, and tend to close with project funding. There are limited strategies to sustain such activities. This is especially the case in some provinces where terraces were abandoned after projects stopped. In the districts visited, very few NGOs and CBOs with long term activities in environmental protection at community level were found.
- (ii) in regard to civil society involvement, there are concerns, and it was observed in the field, that most NGOs tend to be active in the field when there is a project, and their activities close when funding ends. It is also noted that most of these NGOs are based in Kigali and have little permanent presence at community level.
- (iii) most environmental conservation programmes have limited element of environmental education. They tend to focus more on physical activities such as construction of terraces, establishment of tree nurseries, with little attention to educating the population about protecting their environment. This also relates to the means that a number of interventions use to motivate people's participation. This raises the question of

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<sup>17</sup> This is reported in the Poverty Reduction Strategy Progress Report. June 2003.

community empowerment and sustainability in decentralization, as the examples below illustrate:

- community participation in some of the terracing activities appears to have been largely motivated by the rewards of food, and there is very little self appreciation of the importance of soil protection, among the communities visited.
- tree planting and afforestation programmes in some of the provinces visited have not performed well. In one of the projects visited, the survival rates of trees planted was reported to be less than 10%.

As such, the livelihood strategies pursued by the population, by and large, continues to reflect little regard for the environment. ***The need for interventions to put more emphasis on actions that raise awareness and responsiveness of the population on environmental conservation has been stressed. These should be integrated in political, economic and civic education activities, to have greater impact.***

In general, there is wide appreciation that so much has been done in decentralization in so short a period. There are also preventions that the process has been implemented rather rapidly so that many stakeholders, especially NGOs interventions have not been able to adjust their programmes.

## 5.0 MAJOR CONCERNS CONSTRAINTS AND CHALLENGES TO BE ADDRESSED

It is noted that enormous achievements have been made in the last three years of decentralisation in Rwanda. These, among others, include:

- putting in place the legal, policy and institutional framework for democratic local administration and governance;
- community development activities that are pro-poor;
- infrastructure development;
- devolution of fiscal responsibilities to local authorities; and,
- capacity building activities in administrative and financial management.

It is also noted that these achievements are a result of the efforts and commitment of the GoR, its development partners, notably the donors and CSOs, as well as the population.

Despite these achievements, some weaknesses still exist and the decentralisation process continues to face a number of constraints that need to be addressed. These concerns relate to: human resources development and capacity building; institutional linkages and coordination; financial management. These are discussed in the following texts.

### 5.1. Institutional Development and Capacity building

It is noted that the institutional structures for promoting good governance, especially through enhanced transparency and accountability are now in place. At the district level, however, some are not yet strong. The main concerns, in this respect are:

*(i) Most District Councils are weak and generally unable to exercise control over DEC.*

The main concern is that DCs have not been adequately trained and sensitised on their roles and responsibilities. In the area of capacity building, it was observed that most training and sensitisation activities for district authorities have tended to focus more on DEC compared to DCs.

*(ii) Information flow between the DCs on the one hand and lower councils (sectors and cells) is weak in many districts. It is noted that this situation hinders political accountability.*

The general observation is that communication between district councillors and their electorates is low. Many sectors in the districts visited are concerned that their representatives in DEC do not consult them. In other sectors, they have limited access to information on development projects and funds in the districts. This makes it difficult for them to access them or monitor them.

Strategies for empowering lower administrative levels and the population, such as creating avenues for information exchange or public information on vital programmes, have been pointed out as possible key remedies.

Local communities need to be empowered to actively participate in development programmes, and demand accountability from their leaders.

*(iii) NTB is not sufficiently represented in provinces to supervise and monitor the public tender processes. As more resources go to districts, the tendering process needs to be strengthened.*

*(iv) Staff turnover in districts and provinces is a serious challenge for human resource development in local governments*

This mainly affects critical areas of financial management, audit and planning. In the districts, the problem of personnel appears to be complicated by absence of a well elaborated *cadre organique*.

In some of the districts visited, Accountants and Internal Auditors are concerned that the district service system<sup>18</sup> does not adequately guarantee their job security compared to their counterparts in technical fields (such as agriculture) who are under the public service. It was argued that this often compromises objective and transparent financial reporting, and many of them are motivated to leave whenever more secure opportunities are available.

This also affects capacity building activities such as the ongoing financial management training for Local Government Accountants.

It is noted that some of these concerns are being addressed by the GoR through various strategies such as under the Multi-Sector Capacity Building Programme (MSCBP) and the Public Sector Reform Programme (PSRP).

*(v) Low literacy levels among communities and elected leaders remains a serious challenge to capacity building*

A number of elected leaders have low or no skills, such that training and sensitisation becomes difficult.

*(vi) The limited involvement of civil society, which would provide the second channel of transmitting information to the population, further complicates the process of empowering local communities. Addressing this would require concerted efforts and commitment of donors, government, civil society and other actors.*

*(vii) Disseminating and monitoring the application of standard tools and guidelines for financial management. Training activities also need to be harmonized.*

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<sup>18</sup> Accountants and Auditors in local governments are appointed, supervised and paid by districts. In the districts visited, some Accountants and Auditors reported that they face a lot of pressure (including threats from DEC's), and are sometimes compromised, because of fear of losing their jobs.

Financial reporting in many districts is done without following standard guidelines. It is noted that the new Financial and Accounting manual produced by MINALOC is a major step in this regard. This manual is, however, yet to be used in practice.

*(viii) Inadequate facilities in local governments.*

This relates to transport and office facilities. These have been observed to affect local administrative and service delivery operations. For instance, Inspectors of Accounts in many provinces claimed that they are unable to carry out regular audits in districts because of inadequate transport.

*(ix) There are concerns that conditions from intervening agencies sometimes make financial management difficult.*

It was observed in most districts that many bank accounts<sup>19</sup> opened and operated and after a period, the accounts become redundant. This was linked to the conditions of some donor, NGOS AND Government projects, which require district authorities to open separate bank accounts for their projects. It has been noted that this often constraints financial management in the districts.

*(x) A number of concerns have been raised on the legal frameworks. These especially relate to:*

- *Administrative duties and functions of the Mayor:* that the local government law places many responsibilities in the hands of the Mayors. For some activities such as performing marriage ceremonies, the Mayor cannot delegate. In a situation where Mayors are always involved in many other activities (training, seminars, etc.), it is often very difficult for Mayors to fulfil them.
- *Sectoral laws such as on natural resources (e.g. forest reserves):* that the Forest law of 1998 needs to be reviewed to clarify the ownership and managerial roles of forest reserves, between central and local governments, as well as the stake that local authorities have in central forest reserves (such as natural forests). This is a point of contention in implementation of afforestation programmes, control of deforestation, or sharing of revenue.
- *There is need to clarify resource/ property ownership between districts and lower levels.* For example, in one of the sectors visited in Byumba province, leaders and the population complained about the district authorities on ownership of a woodlot planted by the population. *“We planted several hectares forest but the district authorities took it up. When we wanted wood to burn bricks for our Sector office, the district authorities refused us. They asked us to request them”.* Gatengerane Sector Council representatives.

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<sup>19</sup> Most of the districts visited have between 7 – 10 accounts, many of which are for specific projects.

## 5.2. Coordination and Harmonisation of Interventions

The main concerns revolve around the following:

(i) *The capacity of most local administrations to monitor and coordinate donor and NGO interventions is low:* this is associated with the following factors:

- Roles and responsibilities are not clearly understood or appreciated
- Inadequate skills among personnel in local administration
- logistical limitations e.g. to follow-up projects

(ii) *Some NGOs are often not reluctant to release information on their activities.*

Some of the NGOs met have argued that this is often related to bureaucracy and policy of their donors who give strict regulations on disclosure of information.

This also makes it difficult for NGOs to collaborate in the planning and execution of their interventions.

In some areas, however, there are emerging initiatives for coordination and collaboration among NGOs and CBOs.

## 5.3. Fiscal Decentralisation and Financial Management

The main concerns raised by stakeholders in the domain of fiscal decentralisation and financial management include the following:

(i) *Inadequate funding:* financial constraints have been a major constraint in the decentralisation process. This has been emphasised in previous texts.

(ii) *Inability of some intervening agencies to fulfil their commitments:* This often makes planning and execution of development programmes difficult. In some areas, there are concerns that this could undermine confidence building between development actors. Where difficulties in disbursements are met, there is need for feedback so that the expecting beneficiaries can adjust accordingly.

(iii) *Insufficient sources of local revenue for districts:* this relates mainly to:

- *low revenue base in districts: This especially affects rural districts.* The revised tax law that waived taxes on livestock, houses, increased taxable land threshold, etc, has severely affected the revenue base of rural districts. Analysis of revenue performance (see Annex 2) reveal that commercial and property tax in urban areas perform better than others, yet most of these better performing categories are in urban areas.

- *inadequate capacity of some local authorities in tax administration and management.* This is largely a result of a combination of factors including inadequate skills and facilitation (e.g. transport).

Despite these constraints, there is appreciation among RRA and local government officials that revenue collection from some categories of taxes, especially trading licences, has improved with decentralisation.

- *low tax education and poor attitude of the population on taxation:* This makes tax collection difficult.

***The issue of differences in resource endowments need to be properly handled to address the problem inequality. There are concerns that some districts have better local revenue performance receive more central government grants than others.***

(iv) *Revenue sharing between the centre and local governments* especially relating to customs revenue and centrally managed natural resources (forests, national parks, fisheries, etc). Districts with these resource endowments argue that they should be given proportion of the revenue collected from such resources.

Financial support to lower administrative units needs to be considered, to enable the sectors and cells have some operational budgets.

(v) *there is the question of financial debts inherited from former Communes* especially relating to salaries. In the districts visited, the debts range from 4 million Frw to 60 million Frw. It's clear, from the financial position of some districts that they are unable to pay these debts.

## 5.4 Local Government Planning

The biggest and most immediate challenge is to strengthen the CDC structures so that they can appreciate, own and manage the planning process. As earlier pointed out, the immediate concerns for planning include:

- *Harmonisation of planning frameworks-* including performance criteria and indicators and monitoring tools, and linking the planning process to the national poverty reduction framework i.e. the PRSP and Vision 2020. In this regard, the planning guides prepared by MINECOFIN should be availed to all local government authorities and NGOs involved in community development activities.
- *The other aspect is to develop appropriate information systems in the districts. The immediate activity, here is generation of baseline data and recruit planners/ Statisticians to monitor the planning process.*
- *The CDF needs comprehensive capacity building strategy for the CDCs. At the moment, CDCs perceive their roles differently, and attention has been given only the*

President, leaving others to feel unimportant. ***The low literacy levels of most CDCs especially at cell and sector levels, however, present major bottlenecks – yet they are critical in generating data and monitoring the development process at community level.***

- At the provincial level, it was observed that the *Planning and Finance Directorate is more focussed on finance and logistics issues, that with planning in districts.* Addressing the issues of responsibility, logistical and human competences are critical. This is especially to reinforce the province to effectively undertake coordination and monitoring of local government planning processes.

***These, however, require that the linkages between the line ministries, MINECOFIN and MINALOC one hand, and the decentralised units, on the other, to be strengthened.***

## 5.5 Sectoral Decentralisation and Service Delivery

The general observation is that during the last 3 years of decentralization, planning and execution of service delivery activities in decentralized units have been adversely affected. The problem has been associated with:

- *inadequate sectoral budgets and delayed disbursements* – in all provinces visited, the first disbursement comes in April, and only between 50-70% of the budgets are released.
- *tendency of centralization of budgets in most PAs:* It has been observed that Directors have limited say over their sectoral budgets, and that the budgets are controlled by the Prefects and the Executive Secretaries. This raises concerns for transparency and efficient execution of sectoral activities.
- *weak horizontal and vertical linkages involving line ministries, MINECOFIN and MINALOC.* This affects the monitoring of how planned sectoral activities are implemented.
- *roles and responsibilities of the provinces and districts in service delivery are not yet internalized by all actors.* This tends to create communication gaps between district authorities and some PAs. In education sector, for instance, it was reported in some of the provinces that supervision of secondary schools has often not been covered by the district Inspectors of schools. Indeed, some of the District Inspectors of Schools met argued that they were only responsible for primary schools.
- *Inadequate supervision of service delivery in most districts generally tends to be more of a perceptual problem on the part of the local government leadership than inadequate facilities or human resources.* The general observation is that in some of the districts where elected leaders have internalized their roles in decentralized service delivery, technical staff are supervised and seem to be well integrated within the district local

administration. On the other hand, in districts where local leaders still have difficulties in appreciating their responsibilities in decentralization, technical staff are inadequately supervised or supported.

## **5.6 General Conclusion**

This report has highlighted a number of issues that are critical in the first phase of DIP, which also underly the future of the decentralisation process in Rwanda.

The general observation is that a lot of progress has been made, especially given the limited resources and a comparatively short time. It is noted that this progress has been possible because of the political will at the highest level of government, the commitment and support from donors, some CSOs, and the positive response from the population.

The first phase of DIP has, however, been faced, with numerous constraints and challenges mainly related to coordination, funding and existing institutional set-up.

But the most important thing for the next phase is that these challenges are appreciated by stakeholders, and have provided important lessons on which to build better coordination mechanisms; commit resources and efforts; and ensure joint action in monitoring and action. The main challenges for the next phase revolve around bringing on board all stakeholders and sustaining their commitment to the process.

It is to be noted, that this report is not a stand alone out put. It provides inputs to the overall report of the Consultancy, especially in improving the Draft 5 year DIP; and developing the Monitoring and Evaluation framework for the decentralisation process.

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**Annex 1: Sample Provinces, Districts, Sectors and Cells**

<b>Province</b>	<b>District</b>	<b>Sectors</b>	<b>Cells</b>
1. Kibungo	Cyarubare	Ndego	Gasenyi
		Rwirikwavu	Cyabajwa
	Rusumo	Nyamugali	Kazizi
		Kigina	Nyakarambi
2. Umutara	Umujyi / Nyagatare	Nyagatare	Nyagatare I
		Rutaraka	Rutaraka
	Kahi	Nyakayiga	Munini
		Kizirankombe	Kageyo II
3. Byumba	Bungwe	Gatengerana	Muhondo
		Cyumba	Kiriba
	Rwamiko	Rambura	Kirwa
		Kabacuzi	Rugarama
4. Ruhengeri	Bugarura	Muhazi	Jomba
		Nyundo	Gisovu
	Bukonya	Busengo	Kamonyi
		Kivune	Gatongo
5. Gitarama	Ndiza	Kivumo	Mwumba
		Gitovu	Rongi
	Ntenyo	Ntongwe	Kavumu
		Mayunzwe	Kizibere
6. Butare	Save	Ndora	Nyabitare
		Bwinyambo	Gahora
	Nyakizu	Gishambu	Busora
		Cyahinda	Seburunduru
7. Kibuye	Rusenyi	Bisesero	Uwingabo
		Gisovu	Gashihe
	2. Umujyi wa Kibuye	Rubengera	Kabahizi
		Bwishyura	Karongi
8. Kigali Ville	1. Nyarugenge	Biryogo	Rwampara
		Muhima	Kabakene
	2. Butamwa	Burema	Rushubi
		Nyarubande	Runzenze

**Annex 2: Local Revenue Performance for the 2<sup>nd</sup> Quarter 2003 for Nyagatare Urban.**

No	Revenue Source	Projected (Frw)	Actual (Frw)	% Realisation
1	Tax revenue	3,750,000	1,393,780	37%
2	Plot fees & Rents	12,468,000	646,699	5%
3	Kiosks & Shops	346,200	278,900	81%
4	Revenue from Sales	958,000	112,800	12%
5	Revenue from Slaughter houses	1,260,000	47,700	4%
6	Bars & Restaurants	46,800	5,500	12%
7	6% Levy on Sold Items	-	7,200	-
8	Fees from identity Cards	3,000,000	55,800	19%
9	Bicycle tax	120,000	29,040	24%
10	Fees from Certificates & other Documents	56,000	19,000	68%
11	Official Documents	46,800	43,400	93%
12	Trading Licences	2,800,000	823,591	29%
13	Income tax from Rent	915,000	105,700	12%
14	Revenue from fines	75,000	9000	12%
15	Revenue from Stones	480,000	50,000	10%
16	Land rent	2,022,500	235,430	12%
	Total	25,644,300	3,863,540	15%

*Source: Nyagatare District Local Government, August 2003*

## **Appendix 1:**

### **LIST OF PERSONS MET**